



HOUSE OF ASSEMBLY
NOVA SCOTIA
REPORT
COMMISSION OF INQUIRY
ON
REMUNERATION OF ELECTED
Provincial Officials
DECEMBER 1, 1986



COMMISSION OF INQUIRY
ON
REMUNERATION OF ELECTED
PROVINCIAL OFFICIALS

George M. Mitchell, Q.C.
George L. White

HOUSE OF ASSEMBLY
P.O. BOX 1617
HALIFAX, NOVA SCOTIA
B3J 2Y3

December 1, 1986

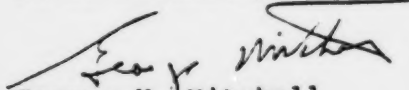
The Honourable Arthur R. Donahoe
Speaker of the House of Assembly
Province House
Halifax, Nova Scotia

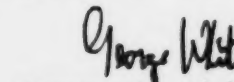
Dear Mr. Speaker:

We were appointed as Commissioners pursuant to Chapter 29 of the Statutes of Nova Scotia, 1983, to make an inquiry and a report respecting the indemnities, allowances and salaries to be paid under the House of Assembly Act and the Executive Council Act.

Having completed our inquiry, in fulfillment of the commission assigned, we respectfully submit the accompanying report.

Yours sincerely,


George M. Mitchell


George L. White



HOUSE OF ASSEMBLY
NOVA SCOTIA
REPORT
COMMISSION OF INQUIRY
ON
REMUNERATION OF ELECTED
Provincial Officials
DECEMBER 1, 1986

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	1
II. INDEMNITIES, ALLOWANCES AND SALARIES: BACKGROUND CONSIDERATIONS	4
1. Basic Indemnities, Allowances and Salaries for M.L.A.'s and Ministers	4
2. Additional Payments to Members for Services in the House	6
3. The Legislature and the Role of the M.L.A.	11
4. Support for Legislators in Other Provinces	15
5. Some Indicators of Recent Economic Changes in Nova Scotia	17
III. REMUNERATION FOR M.L.A.'S	20
IV. ADMINISTRATION AND SUPPORT, SERVICES AND FACILITIES FOR THE WORK OF PRIVATE MEMBERS AND OF CAUCUS OFFICES	26
V. SUPPORT FOR LEADERS OF OPPOSITION PARTIES	34
VI. SALARIES OF MEMBERS HOLDING OFFICE AND EXPENSES OF MEMBERS OF THE EXECUTIVE COUNCIL	36
VII. SALARIES FOR OFFICERS OF THE HOUSE	40
VIII. CONCLUSION	42
IX. SUMMARY OF RECOMMENDATIONS	43
X. SUMMARY OF PROPOSALS	44

APPENDICES

A. Footnotes	46
B. Letter of Appointment of Commissioners with text of s.43A of the House of Assembly Act as amended 1983, c.29	47
C. Acknowledgements	49
D. Internal Economy Board Regulations 1986	53
E. Tables	64
F. Principles Relating to Remuneration and Support for Members and Ministers	71
G. Memorandum from Director of Administration, Speakers Office	73

INDEX TO TABLES IN THE REPORT

		<u>Page</u>
TABLE A	Acts Passed by the Legislature, Nova Scotia (1978-1986)	13
TABLE B	Comparison of Some Changes in Earnings, Public Sector, Nova Scotia	18
TABLE C	Summary Record of Salaries Paid to Designated Office Holders, 1978-1986	36
TABLE E-1	Summary Record of Indemnities, Allowances and Salaries for M.L.A.'s, Salaried Members and Members of the Executive Council in Nova Scotia, 1978-1984	64
TABLE E-2	Indemnities, Allowances and Salaries for Elected Members by Province 1986	65
TABLE E-3	Summary of Additional Remuneration for Particular Responsibilities and for Committee Service in the Legislature by Province	66
TABLE E-4	Sitting Days per Session of the Nova Scotia Legislature 1967-1986	67
TABLE E-5	Unionized Wage Settlements, Average Annual Compound Percentage Increases, 1986	68
TABLE E-6	Average Salaries of Selected Public Sector Groups, Nova Scotia, 1978-1986	69
TABLE E-7	Consumer Price Index for Canada (All Items) 1978-1986	70

NOTE: Requests for additional copies of this Report
and those of previous Commissioners may be
made to the Office of the Speaker, House of
Assembly, Halifax, Nova Scotia

I. INTRODUCTION

The House of Assembly Act by virtue of Section 43A¹ provides that the Speaker shall on or before the 1st day of October in each year appoint persons to make an inquiry and a report respecting indemnities, allowances and salaries to be paid under the House of Assembly Act, the Executive Council Act and the Members' Retiring Allowances Act².

By way of a letter dated September 8th, 1986 the Speaker appointed George M. Mitchell, Q.C. and George L. White as Commissioners to carry out the inquiry required by the House of Assembly Act.

Shortly after the Commissioners commenced their work it became apparent that several matters relating to members' pensions would have to be considered by the Commissioners. It was also evident that one of the Commissioners, George M. Mitchell, Q.C., a former M.L.A. was in a position of possible conflict. Consequently each Commissioner immediately resigned his position and the Speaker by way of a letter dated September 25th, 1986 reappointed George M. Mitchell, Q.C. and George L. White as Commissioners to make an inquiry and report respecting the indemnities and allowances and salaries paid under the House of Assembly Act and the Executive Council Act, and by way of separate letter dated September 25, 1986 appointed George L. White as Commissioner to inquire and report on all matters arising

with respect to the Members' Retiring Allowances Act.

This report contains the Commission recommendation on indemnities, allowances and salaries to be paid under the House of Assembly Act and Executive Act.

In order to assist the Commission in its duties it has sought comment, advice and assistance from a variety of sources. All of the Members currently serving in the House of Assembly were contacted and advice was sought from some former Members. A public hearing was held after proper advertisement in all of the daily newspapers in the Province and as a result two oral submissions were made at which a number of interesting and thoughtful points were presented to the Commission.

The Commissioners have also met with officers of the House of Assembly and with a number of public servants associated with the work of the House and the Executive Council. The Commission has also received oral and written advice from Members of the general public.

In past years the Commissioners' Report has been divided into two sections, that is recommendations of the Commission which pursuant to the provisions of Section 43A of the House of Assembly Act have the same force as if they were passed by the legislature, and proposals which generally deal with matters that have been raised with the Commissioners but which they have no clear mandate to decide. The Report this year will be no exception to the past and there

are contained in the Report a number of proposals for consideration of the Speaker, Government, Members and the Legislature and the Internal Economy Board.

For a number of years the Commission had some difficulty in ascertaining the regulations of the Internal Economy Board. In recent years the Speaker has prepared and provided to the Commissioners a complete compilation of all of the regulations of the Internal Economy Board and a copy of the current regulations are appended to this Report. The Commissioners are pleased to note that the Internal Economy Board, which previously consisted of only government members, now includes members representing the three major parties in the Legislative Assembly. We feel that this was a very important step and ensures that the activities of the Board are subject to the scrutiny of opposition parties and consequently the general public. The Commission believes that the legislative spirit of dealing with the salaries and allowances of Members of the Legislative Assembly in a public fashion, should be extended into the regulatory authority of the Internal Economy Board and we are pleased to note that the government has taken this forward measure by appropriate amendment to Section 47 of the Public Service Act, R.S.N.S. 1967 c.255.

As in other years, the Commissioners have in 1986 obtained recent information on remuneration and arrangements for support of the legislators in other provinces of Can-

ada. This information has been obtained from the editors of an annual study, Canadian Legislators 1985 Comparative Study³ published by the office of the Assembly, Queens Park, Toronto, Ontario. This is a valuable study which very easily permits the comparison of indemnities, allowances and pension arrangements prevailing in all of the legislatures of Canada.

II. INDEMNITIES, ALLOWANCES AND SALARIES: BACKGROUND CONSIDERATIONS

1. Basic Indemnities, Allowances and Salaries For M.L.A.'s and Ministers

During the calendar year 1986, a Member of the House of Assembly was entitled to an Annual Indemnity of \$27,315 together with an annual expense allowance of \$10,340, for a total basic remuneration of \$37,655. Under the provisions of the Income Tax Act (Canada) the annual expense allowance is not considered taxable income to the Member.

In addition, during 1986 salaries were paid to certain Members in relation to the important offices they held, as follows: to the Premier \$41,675; a Minister having charge of a Department (i.e., a "Minister with portfolio") \$32,300; a Minister without portfolio \$7,500 - \$32,300; the Speaker \$32,300; the Leader of the Opposition \$32,300; the Deputy Speaker \$16,150; and the Leader of a Recognized

Party, other than the Opposition, \$16,150. The recent history of basic indemnities, allowances and salaries paid to M.L.A.'s and salaried Members, since 1978, appears in Appendix E, Table E-1. A comparison of the 1986 arrangements with those prevailing in other provinces appears in Appendix E, Table E-2. The Tables reveal an apparent significant increase in the Annual Indemnity paid to Members in 1986 from the previous year. However, the impact of this apparent increase can only be considered in conjunction with the significant reduction in committee fees paid to Members in 1986, compared to prior years. The "integration" of committee fees into the Annual Indemnity in 1986 is more fully explained subsequently in this Report.

Under present provisions of s.43A the recommendations of the Commission have the same force and effect as if enacted by the Legislature and have effect from the 1st day of January immediately following the year in which the persons are appointed to prepare the Report. Prior to 1984, annual indemnities and allowances for Members, salaries for Officers of the House and for the Leader of a Recognized Party were all prescribed under the House of Assembly Act, while all salaries for the Premier and for the Ministers were prescribed under the Executive Council Act.

2. Additional Payments to Members for Services
In the House

Some Members are assigned additional responsibilities important for the working of the House of Assembly and, consequently, they are entitled to additional remuneration for these responsibilities.

In 1986 such additional payments were as follows: House Leader (\$5,000 per annum); Deputy House Leader (\$3,000 per annum); House Leader of the Official Opposition (\$2,000 per annum); Whip of each House (\$85 per Member in the House); and Caucus Chairperson of each Party (\$85 per Member in the House). These levels have not varied since 1984, or earlier in some cases. They are presently established by regulation of the Legislature Internal Economy Board.

Somewhat similar arrangements prevail in other Legislatures in Canada. Appendix E, Table E-3 is a summary of the most recent information available to this Commission, which sets forth additional payments paid to elected Members for certain responsibilities in the various Provincial Legislatures.

Brief reference has been made earlier in this Report to changes in arrangements for committee fees paid to Members for the calendar year 1986.

By way of background, for some years the Legislature Internal Economy Board provided additional payments for the Chairperson and Members of Standing and Selected Committees of the House, of certain other committees and of the Board itself. The arrangements for committee service payments that were in effect for the calendar year 1985 were as follows:

Standing Committees

(a) Law Amendments Committee

- (i) The Chairman - \$3,500
- (ii) Each Member - \$3,000

(b) Private and Local Bills Committee, Industry Committee, Public Accounts Committee, and Internal Affairs Committee

- (i) The Chairman - \$2,000
- (ii) Each Member - \$1,700

(c) All Other Standing Committees of the House

- (i) The Chairman - \$1,700
- (ii) Each Member - \$1,500

(No Member was paid for service on more than three Standing Committees)

Select Committees

- (i) The Chairman - \$3,250
- (ii) Each Member - \$2,500

(No Member was paid for service on more than two Select Committees)

Committee on Rules

- (i) The Chairman - \$3,250
- (ii) Each Member - \$2,500

Legislature Annex Renovation Committee

- (i) The Chairman - \$2,000
- (ii) Each Member - \$1,200

Legislature Internal Economy Board

- (i) The Chairman - \$6,000
- (ii) Each Member - \$3,000

In 1985, Committee fees earned on average by each Member for service on the Committees was \$6,500. By comparison, in 1984 the average was \$8,500, while in 1983 it was \$8,300.

The Report of the Commission of Inquiry in 1985 considered arrangements for payment to Members serving on Committees (page 17):

"However, as has been noted in Reports of similar inquiries in 1982, 1983 and 1984, aside from the allowance, Members in Nova Scotia have received remuneration for service on committees of the House. In practice, the total remuneration for service of an M.L.A. in his constituency and as a Member of the House includes the annual indemnity, annual allowance and the fees paid to the Member for service on House Committees."

And then at page 21:

"The Commissioners believe that much of the criticism of the arrangements for committees and for fees for service on them does not take into account the important role of some committees or the onerous work undertaken by some Members engaged in these committees, in addition to their service to constituents, their role within the House and their continuing concern and responsibility for public policy generally. Criticism of the system that has prevailed in recent years has generated scepticism and a sense by some that Members are receiving committee fees as an unearned 'extra' payment."

A change in arrangements for payment for committee service seems timely. It will improve public understanding and perceptions about the general remuneration of M.L.A.'s. The Commissioners believe that provided a Member is appropriately paid in recognition of the general responsibilities of an M.L.A., the principal 'reward' for his or her service on committees will be the satisfaction of the Member and the perception of constituents and the general public of the contribution paid to the public life of the Province. We conclude that, despite substantial variation in the workload of the Committees, for 1986 any adjustment of the indemnity to include service on committees, at least those meeting when the House is sitting, should reflect service on all committees, whether they be Standing, Select or Special Committees, and also service on the Legislature Internal Economy Board."

Consequently, with the termination of the existing committee fee structure as recommended in the 1985 report, the Commissioners proposed that the rounded average of \$6,500 be considered for incorporation with the indemnity to arrive at a new appropriate level of integrated annual indemnity for 1986.

At the same time, and on page 21, the Commissioners again stated:

"We recognize that the change we have recommended will require adjustment on the part of some Members and that it may not prove to be appropriate for long. The Special Committee on Rules and Procedures may recommend revision of the existing committee system which would warrant review of arrangements for committee service. Our recommended changes may not fully take into account the work of the Law Amendments Committee or of the Legislature Internal Economy Board and they clearly do not take account of the special responsibilities of chairpersons of committees as is done in a number of Provincial Legislatures where additional payments are provided for such service."

As noted earlier in this Report, the composition of the Legislature Internal Economy Board was altered in 1986 to include representatives of three major parties of the House. We have been advised that in August, 1986, the Board approved as an interim measure additional payments to Members who serve as Chairpersons of the Legislature Committees and to Members who serve on the Law Amendments, Public Accounts, Industry, Private and Local Bills and Public Accounts Committees and the Internal Economy Board. The scale of payments was set as follows:

Law Amendments

- \$2,000 for Chairman
- \$1,500 for Members

Legislature Internal Economy Board

- \$2,500 for Chairman
- \$1,500 for Members

Industry, Private and Local Bills, Public Accounts

- \$1,000 for Chairman
- \$ 750 for Members

Chairpersons of all other committees - \$500

All fees were effective as at January 1, 1986.

Consequently, while committee fees were reintroduced in 1986, they were limited to the Members of the committees considered more onerous by the Board and to Chairpersons of all Committees. The average of total Committee fees earned by each Member in 1986 in accordance with this scale of payments was approximately \$1,150.

3. The Legislature and the Role of the M.L.A.

The M.L.A. in the 1980's has two basic roles. First, the Member is a legislator involved in the increasingly complex tasks of government. Second, the Member is called upon to assist and serve constituents in a multitude of ways and with all kinds of problems, sometimes of more direct concern to others than the provincial government.

In the primary role, as legislator, changes in technology, commerce and trade, social values, development issues and the rapidity of change itself have made the legislative function a more demanding vocation than it was some years ago. This is more than ever the case as government and the legislature seek to manage the affairs of the province in an era of restraint, at a time in Nova Scotia when there is both considerable economic promise and uncertainty, and when the basic philosophy of the role of government is under review at the national level. Continuing interrelations of federal and provincial governments and their public policies in such a time of change place new demands on private Members, whether in government or in the opposition. The responsibilities are even greater for the Premier and for Ministers who are responsible for governing through the Legislature and for the administration of government.

The greater complexity of government is not only the result of increasing need for cooperation and coordination between levels of government but also for effective cooperation between the public and private sectors. M.L.A.'s are required to become familiar with and deal effectively with a wide range of issues and concerns.

While it is impossible to make a definitive assessment of the M.L.A.'s legislative workload, one measure of the increasingly complex task of government is the pattern of legislature sittings over the last two decades. Appendix E, Table E-4, sets out this pattern.

The average number of sitting days per year has about doubled since the mid 1960's. The 48th Assembly met an average of 34 days a year and the 49th Assembly (1967-70) averaged 42 days, whereas the 52nd Assembly (1978-81) sat an average of 75 days per year, and the 53rd Assembly (1981-84) sat an average of 73 days per year.

In the last few years changes in procedure have facilitated the work of the House, especially through limitation of debate on the annual estimates in the Committee of the Whole, and sessions have tended to be shorter. In 1986 the Assembly sat for 56 days.

One measure that may provide some insight into the expanding work of the legislature is the number of bills passed in the House each year. The table below shows the number of acts passed over the past eight years. From 1980 to 1985 the average number of public acts was 63 and on average total acts passed was 89. The 1986 128 bills were introduced, and of these 65 became public acts and the total of acts passed was 104.

TABLE A**ACTS PASSED BY THE LEGISLATURE, NOVA SCOTIA⁴**

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
Public	53	65	66	69	67	67	41	65
Total	72	98	132	108	100	90	72	104

In addition to their role in the House itself, all Members also serve on standing, select or special committees. Members of the Executive Council and Officers of the House have continuing responsibilities for policy and administration even when the House is not in session. Opposition Members generally have responsibility for monitoring and commenting upon particular aspects of government policy and practice, and not only when the House is in session. Members of all parties in the House also meet in caucus throughout the year. Thus, in the legislative role, every Member of the House spends considerable time throughout the year on business of the province whether or not the Assembly is in session.

The second role of the M.L.A. is to assist and serve constituents in a multitude of ways. While the constituency "case load" may vary from one constituency to another, and among Members, this general role has continued to grow. Especially in the difficult economic times of the past few years Members often now maintain several hundred active files of constituents' problems and concerns. M.L.A.'s are expected to deal with all manner of problems including many that are primarily the concern of other levels of government. This would seem to be particularly the case for Members serving from constituencies outside the metropolitan Halifax-Dartmouth region. No doubt the same may be true for other elected members of national or local governments, for all seek to serve their constituents who cannot be expected to be clear in our complex federal society about the actual responsibilities of each government.

Service to constituents is rendered year round. For Ministers, assistance with this service is available through the Minister's office staff. For private Members assistance with this service is provided in part through services of the caucus office and in part by limited funds for secretarial assistance in the constituency and often by family members. For all Members from outside the Halifax-Dartmouth region service often results in a heavy "case load" of visits and calls on weekends during the period of

the year when the House is in session, and regularly through the week when the House is not in session.

The level of remuneration and of support to the M.L.A. must be sufficient to allow the Member to devote the time and effort required to perform the duties expected of him. It should be adequate to permit persons without substantial private means to stand for election and to serve if elected and it should not result in significant financial hardship for those who serve. The principles relating to appropriate levels of remuneration and support set out in the report of an earlier Commission of Inquiry are attached in Appendix F, and we endorse these.

4. Support for Legislators in Other Provinces

The job of the M.L.A. is unlike any other trade or profession. Members must deal with an increasingly wide range of issues and concerns. The Member of the Assembly must act as legislator, negotiator, ombudsman, social worker, public relations officer and perform several other tasks at almost any hour of the day or night, often seven days a week and nearly 365 days a year. It is a role with no job security beyond the next election, with the Member's tenure of office subject to public endorsement or rejection at the polls every three or four years.

We believe the work cannot be compared to any other job, except that of legislators elsewhere. Thus, there is merit in comparing the role and remuneration of Nova Scotia M.L.A.'s to elected Members in similar roles in other provinces. Appendix E, Table E-2, sets out latest information on the basic indemnity and expense allowance of M.L.A.'s in the ten provinces as well as the salaries of certain Members and Table E-3 is a summary of additional payments for service in the provincial legislatures as reported in 1986⁵.

So far as we can judge measures of workload, such as sitting days, bills passed, size of constituency, number of constituents and committees of the House, it would appear that Nova Scotia Members have a workload comparable to other M.L.A.'s in most provinces in Canada, with the exception of Ontario and Quebec.

In 1986 the basic statutory remuneration of the Nova Scotia M.L.A., that is, the indemnity and general expense allowance, is comparable to the average for provincial legislators in Canada but still less than the indemnities and allowances (without considering additional payments) paid to Members in New Brunswick, Quebec, Ontario and British Columbia.

5. Some Indicators of Recent Economic Changes in N.S.

Since the M.L.A.'s role cannot be compared directly with that of any other profession, trade or employment, direct comparisons of remuneration with other groups are inappropriate.

Yet the trend of changes in remuneration for others in the province may be useful in considering possible change for M.L.A.'s. In a number of our provinces and in the federal Parliament statutory provision is made for automatic annual change in remuneration for Members by formulae related to changes in provincial wages and salaries, or in public service salaries generally or in price or other indexes.

Some indicators of recent economic changes in Nova Scotia appear in Appendix E, Tables E-5 to E-7. We note that unionized wage settlements under collective agreements concluded in the first three quarters of 1986 in Nova Scotia ranged from 2.7% to 6.4% and that most settlements were in the range from 3.6% to 4.6%.

The following table summarizes comparative changes in earnings of certain public sector groups from 1985 to 1986.

TABLE BComparison of Some Changes in Earnings, Public Sector,
Nova Scotia

	<u>1985-1986</u>
Member's Integrated Annual Indemnity Allowance	+2% +2%
Minister's Salaries	+2%
Public Sector Salaries:	
Teachers	4%
Civil Service Management Group	4%
Deputy Ministers	4%
Provincial Judges	Under Review

We note the decision of the Legislative Internal Economy Board of August 18, 1986 resulted in payment of Committee fees which averaged \$1,150 per Member for the year 1986. This resulted in a total average remuneration of \$38,805 or approximately 5% over the 1985 integrated annual indemnity and allowance.

Another factor for comparison is the rate of inflation. As measured by changes in the Consumer Price Index for Canada, the inflation rate continued through 1986 at a level significantly below that prevailing in the early 1980's. As Appendix E, Table E-7 indicates the cumulative increase from December 1978 to September 1986 was about 74%. We note that over the same period this compares with increases in the indemnity and allowance for M.L.A.'s of about 56% and an increase in salaries of Ministers of 53% for the same period. The annual increase in CPI for Canada for the latest month reported, September 1986, was 4.1% and for Halifax it was 3%.

In light of the various background considerations dealt with in this section of this report, we turn now to discussion of arrangements that we recommend should be made for indemnities, allowances and salaries for Members and for Ministers for 1986, and to some proposals that we believe warrant consideration. The recent history of basic indemnities, allowances and salaries paid to M.L.A.'s and salaried Members, since 1978, appears in Appendix E, Table E-1.

III. REMUNERATION FOR M.L.A.'S

During the Commission's review leading to the report dated December 1, 1985 a significant part of the inquiry relative to the remuneration for M.L.A.'s in Nova Scotia directed itself to the question of the Committee fee structure and Committee fees paid to all of the Members of the House. As has been noted earlier in this Report the Commission last year concluded that in order to improve public understanding and perception about the total remuneration of M.L.A.'s, the average of all Committee fees paid, being \$6,500, be incorporated into the indemnity of each Member of the Legislature which increased the annual indemnity of an M.L.A. from \$20,280 to \$26,780. To this integrated sum was added a 2% increase so that the total indemnity paid to a Member for the year 1986 was \$27,315. Also it was recommended that the annual tax free allowance for expenses paid to Members be \$10,340 in 1986 (increased by 2%) resulting in a total recommended remuneration in 1986 of \$37,655.

Subsequently as a result of a meeting of the Internal Economy Board in August of 1986, Committee fees were to a limited extent reinstated. As has already been noted in this Report it is the understanding of your Commissioners that this reinstatement was only an interim measure and was based on proposal P-1 made by the Commissioners in 1985 which reads as follows:

P-1 The Special Committee on Rules and Procedures consider further the appropriateness of arrangements now recommended for intergration of general average fees for Committee service with the annual indemnity, with special reference to the particular responsibilities of the Law Amendments Committee, the Legislature Internal Economy Board and the Chairpersons of Committees.

Section 43 of the House of Assembly Act authorizes the Legislature Internal Economy Board to make regulations and in particular we refer to Regulation (ea) which reads as follows:

43(1) The Legislature Internal Economy Board may make regulations:

(ea) Respecting remuneration or allowances paid to a Member for services as a Member or as Chairman of a Committee of the House;

We have already in this Report quoted several extracts from the 1985 Report which outlined the reasoning behind the recommendation of an intergrated annual indemnity for the Members of the Assembly. Notwithstanding that your Commissioners do not have authority to determine the questions relating to Committee fees, based on the representations made to us we feel that it is appropriate to make some comment. It is evident that any payments made to Committee Members or Chairmen has a direct impact on a

Member's income and is a factor to be considered by your Commissioners when determining whether or not an increase should be provided to M.L.A.'s.

Your Commissioners recognize that based on virtually all representations made to us that it is extremely important that accurate information relating to the incomes of Members of the Legislative Assembly not only be freely available to the public but that there should not be any perception, or grounds for perception that M.L.A.'s are receiving income about which the general public had not been informed, or information is at least readily available.

The question of remuneration for Committee Chairmen or Members is an extremely vexing one. Your Commission fully recognizes that many Committee Members and Chairmen engage in considerable extra activity and have greater responsibility than others. It is also important to recognize that many M.L.A.'s and Ministers of the Government, while they do accept extra responsibilities as Chairmen of Committees, would in any event be engaged in government business in view of their full-time service to the people of this Province.

The Commissioners also believe that the remuneration paid to elected representatives should reflect in some measure the policy of financial restraint particularly at this time in the history of our province when significant efforts are being made by government to contain expenditures.

Nevertheless your Commissioners do recognize that Committee Chairman do undertake extra work, not only during the time when the House is sitting but often at other times during the year when such Committee Chairmen must organize Committee meetings, arrange for the calling of witnesses, places for hearings and other related matters. Having given serious consideration with respect to payment for Committee work the Commissioners propose:

P-1 For the year 1987 there be paid to the Chairman of the Law Amendments Committee and the Chairman of the Legislative Internal Economy Board the sum of \$1,500, that there be paid to the Chairman of the Private and Local Bills Committee, the Public Accounts Committee and the Industry Committee the sum of \$1,000; that there be payable to the Chairman of all other Committees the sum of \$500.

We have not proposed that there be payments to Committee Members other than Chairmen, but the Commission does note that the Regulations of the Internal Economy Board do provide that where Committee Meetings are held at a time other than when the House of Assembly is sitting, Committee

Members are entitled to a per diem allowance as well as their travelling and accommodation expenses. We agree with this arrangement for per diem allowance and indeed such a recommendation was included in the 1985 Report.

In order to properly determine any increase in remuneration for M.L.A.'s we have considered the historical decision to eliminate Committee fees except for Chairmen which has been recognized in this Report. In 1985 the Committee fees for Members of the Legislature was averaged at \$6,500 per Member and, while in 1986 fees were paid to Members on a limited number of Committees and on a much reduced basis, we believe we are justified in assuming that in 1987 there will be no lump sum fees paid to Members of any Committee of the Legislature or the Internal Economy Board other than the per diem fees and fees to Chairmen as already noted.

We now turn to consider the question of remuneration to be paid an M.L.A. in the year 1987.

It is to be noted that in Appendix E, Table E-2 attached to this Report, the total of the indemnity and allowance of a Nova Scotia M.L.A. is only exceeded by their counterparts in Ontario, Quebec, British Columbia and New Brunswick. It was interesting that during the public presentations to your Commission both persons indicated that they felt the remuneration of the Nova Scotia M.L.A. was indeed a fair one. We also recognize that the remuneration

of a Member of the House of Assembly is considerably less than the salaries paid to Deputy Ministers, Provincial Judges and indeed many senior civil servants.

It is also worth noting that the Provincial Government in recent negotiations with its union and non-union employees offered wage increases of 2% for 1986, 3% for 1987 and cost of living for the year 1988. Your Commissioners recognize that the increase in salaries, indemnities and allowances of Members of the House of Assembly has not, in overall terms, been significant last year or the preceding year. Nineteen Eighty-Seven would also seem to be a year of continuing restraint in the public sector and it is the view of the Commission that the increase in the annual indemnity and allowances for the year 1987 should be held to a very modest 2%.

We would therefore recommend:

R-I For the year 1987 a Member of the House of Assembly be paid an annual indemnity of \$27,860 and an annual allowance for expenses of \$10,550.

These would compare with the indemnity for 1986 of \$27,315 and the annual allowance for expenses in 1986 of \$10,340.

With the loss by some Members of Committee membership fees received in 1986, many Members of the House may receive slightly less income in 1987 than they did in the year 1986. While this is an unfortunate consequence of the final elimination of Committee fees, we believe that the Members of the Legislature, overall, are generally paid an appropriate remuneration.

IV. ADMINISTRATION AND SUPPORT, SERVICES AND
FACILITIES FOR THE WORK OF PRIVATE MEMBERS
AND OF CAUCUS OFFICES PURSUANT TO REGULATION

The House of Assembly Act, s.43 authorizes the Legislature Internal Economy Board to make regulations which provide support to Members for work in both their constituencies and Halifax. As already noted the Regulations for 1986 are annexed hereto as Appendix "D". Administration for the payments to Members presently falls under the jurisdiction of the Board and is handled on a daily basis by the administration staff of the Speaker's office.

Insofar as the support provided is to ensure services for Members or to meet expenses incurred in the discharge of their responsibilities, the Commissioners conclude these matters do not clearly fall within "indemnities, allowances and salaries" about which we might make recommendations that would be implemented.

However during the enquiry both at public hearing and in private submission our attention was drawn to several matters to which we shall refer without recommendation. As in past years we shall deal with these items by way of proposal which, we trust, will be considered by the Legislature Internal Economy Board in drafting any changes to their Regulations for 1987.

In 1985 certain proposals were made by the Commission which related to the services and indemnification for expenses of the private members. All of these proposals were adopted by the Internal Economy Board and have been incorporated into the 1986 Regulations.

In summary form the measure of support at this time to all members of the House for constituency expenses is as follows:

- (a) The sum of \$2,000 in lieu of travel expenses within a member's constituency;
- (b) The sum of \$300 monthly for constituency expenses payable without receipts. This sum is cumulative if not claimed for any particular month;
- (c) The sum of \$350 each month for constituency expenses to be supported by proper receipts;
- (d) The sum of \$100 per month for long distance calls for members outside of Halifax if the allowance of \$350 referred to in subparagraph (c) is insufficient;
- (e) The sum of \$3,000 for expenses incurred on account of postage;
- (f) During a calendar year each member is entitled to be reimbursed for 52 trips between the place where he is ordinarily resident and the City of Halifax to attend sittings of the House and other business relating to his or her constituency.

The payment includes \$50 on account of expenses without receipts for each day for attending in Halifax on business or at the legislative sittings, together with reimbursement for travel expenses and sleeping accomodation supported by proper receipts.

The effect of the above is that members are entitled to receive \$750 per month for a constituency office and long distance telephone calls, which combined with the postage allowance of \$3,000 annually, effectively provides by way of allowance and receipted expenses up to \$12,000 for each member to operate a constituency office. We received repeated suggestions by many of the members residing outside of the Halifax-Dartmouth area that their needs to service their constituency as rural members could not be met by the existing arrangements outlined above.

Taking into consideration the representations made to us the Commissioners propose that:

P-2 The Legislative Internal Economy Board review the existing payment practices on arrangements for support, service and facilities of private Members and give consideration to the following suggestions:

- (a) that Legislature Internal Economy Board Regulation 28(1) be revised to provide that each Member of the House be entitled to receive the sum of \$300 per month in lieu of expenses incurred on account of services to that Member's Constituency, and a further sum not exceeding \$650 per month for expenses accounted for by proper receipts and incurred in services in that Member's Constituency for the provision of office space, meeting places, equipment, telephone (including long distance charges) within the Constituency and between the Constituency in Halifax; telephone answering services, advertising and secretarial services and any other expenses related to the Member's Constituency office;
- (b) that Legislature Internal Economy Board Regulation 5 be reviewed so that consideration be given to introduction of variable allowances in lieu of postage that at least in part reflect the number of households in a constituency.

There is provision for payment to the Caucus Office of each party, for support services for that office, by Regulation of the Board. The support, paid monthly, in 1986 was based upon payment of an amount equal to the number of Members of that caucus multiplied by \$255. In addition, secretarial assistance is provided to private Members through the Caucus Office of each recognized party in an amount determined by multiplying the number of private Members in the caucus by \$6,000, in no case to be less than \$15,000. There is further provision for secretarial assistance to the chairman of the Government Caucus and the chairman of the Caucus of the Official Opposition.

There were few, if any, representations to the Commissioners that the above formula providing for the Caucus Office of the Official Opposition or in relation to recognized parties was inadequate. It is the belief of the Committee that the provisions that presently exist for the support of the various Caucus Offices of each Party is reasonably adequate and we make no proposal with respect to any changes for such support.

The question of Members receiving their indemnity and allowances at the beginning of each calendar year was raised at the public hearing held by the Commission. While this practice may provide a minor benefit to those several Members who chose this method of payment it does not seem at this time that there is any need to change this historical and well established practice.

We note that pursuant to the terms of the House of Assembly Act if a Member draws his salary in January and ceases to be a Member of the House of Assembly he is entitled to retain only that part of his indemnity and allowance for the period during which he was a Member.

If the House of Assembly is dissolved or ended by the passage of time a former Member who does not become a Member in the next House of Assembly is however entitled to a severance allowance in the amount of one-quarter of his annual indemnity.

It may be appropriate for future Commissions to review this matter, consider what is done in other jurisdictions and make any proposals they may wish for consideration of the Legislature Internal Economy Board.

The administration of the arrangements for support to private Members and Caucuses has generally evolved and developed in recent years through the Speaker's office, in conjunction with the Department of Finance.

The Public Service Act, R.S.N.S., 1967 Ch. 255, provides in section 50 that all matters relating to the issuing of orders or requisitions, the passing of accounts and the general expenditure of monies in connection with the House, other than Members' indemnity, shall be dealt with and settled by the Legislature Internal Economy Board. The statute stipulates the Speaker shall be the Chairman of the Board.

As previously reported, in 1986 a significant change was made to the Public Service Act, providing for the Board to consist of the Speaker, the Government House Leader, the Chairman of the Management Board, the Minister of Finance, the Deputy Speaker, the Chairman of the

Government Caucus, one member from the Caucus of the Party of the Leader of the Opposition and one member from the Caucus of the Party of each leader of a recognized party as defined in the House of Assembly Act, such member to be chosen by each such Caucus. Previously, the Board had been composed solely of Government members.

This change in required composition ensures membership from each of the three major parties and as we have previously commented, is consistent with the objectives of public accountability and disclosure.

Other changes have been made in the administration process in recent years. In early 1985 partially as a result of several well published incidents, policy guidelines of the Board were prepared and, together with current regulations, were made readily accessible to the public and all members of the House. We have been informed that these guidelines were prepared by the office of the Speaker in consultation with appropriate representatives of the Auditor General's office and the Legislative Counsel's office.

Further, we understand that new travel guidelines affecting Ministers were established by the Management Board in 1984, in consultation with representatives of the Auditor General.

Also, we have been informed that in 1985 new procedures were adopted within the Department of Finance to examine the authenticity of expense statements, including travel expenses of Ministers.

During the course of this Inquiry, the Commissioners met with the Auditor General and we understand that with these changes, the system appears to be working quite well.

In a report of the Auditor General in 1984, it was recommended that the Supplement to the Public Accounts make disclosure of payments to Members, in particular including travel expenses for constituency and House related matters and travel expenses for committee work. It would be appropriate for the Board to review this recommendation of the Auditor General to determine if it has been acted upon and if the disclosure presentation now provided in the Public Accounts is sufficient.

V. SUPPORT FOR LEADERS OF OPPOSITION PARTIES

The House of Assembly Act provides that the Leader of the Opposition is to have the benefit of office facilities, equipment, secretaries, a director of research, research assistants and senior assistant. The Legislature Internal Economy Board, by regulation, provides for reimbursement of travel and related expenses of the Leader of the Official Opposition. The regulations further allow that if the Leader of the Official Opposition is an outside Member, he is to receive an allowance equivalent to that provided to a Minister for living expenses within the City of Halifax. Additionally, the Leader of the Official Opposition is entitled to a leased motor vehicle on the same basis as a Minister.

The House of Assembly Act specifies that the Leader of a recognized party is to be provided with office facilities, a secretary, a research assistant, and a senior assistant. The regulations of the Board also make provision for reimbursement of travel and related expenses of the Leader of a recognized party. Such a "Leader of a recognized party" is defined in s.43B as "the Leader in the House of any party represented by two or more Members other than the Premier or the Leader of the Opposition whose party was a "recognized party" in accordance with the Elections

Act and had candidates standing for election for three-quarters of the seats of Members in the House and whose party received ten percent or more of the votes officially recorded in the latest general election of Members of the House."

In the 54th Assembly, the Member for Cape Breton Nova is the leader of a political party, but does not meet the definition of the leader of a recognized party under the House of Assembly Act. Consequently, the Legislature Internal Economy Board has, by regulation, made provision for limited office space, secretarial assistance, furniture, telephone, equipment, postage and long distance telephone charges. It has been suggested to the Commissioners that the leader of a party which is an official party under the Elections Act, but who is not a leader of a recognized party under the House of Assembly Act, should be paid and should be provided with support to the level of one-half of a leader of a recognized party. However, we have no recommendation or proposal to make regarding this matter and we expect that reasonable arrangements for support of any such leader, as in the case of the Leader of the Opposition and the Leader of a recognized party, will be continued by the Board.

**VI. SALARIES OF MEMBERS HOLDING OFFICE AND
EXPENSES OF MEMBERS OF THE EXECUTIVE COUNCIL**

This section of the report pertains to remuneration and expenses for those who hold office pursuant to the Executive Council Act and to remuneration for those who hold office in the House of Assembly.

The Premier and Ministers of the Crown (including those without portfolio) are paid a salary for their offices in accordance with the Executive Council Act. The House of Assembly Act provides an annual salary for the Speaker, Deputy Speaker, Leader of the Opposition and the leader of a recognized party (other than the Premier or Leader of the Opposition). The recent history of salaries for these offices is traced in the reports of earlier Inquiries of this nature. The summary record of salaries paid for these offices in recent years appears in Table C below.

TABLE C

**SUMMARY RECORD OF SALARIES PAID TO DESIGNATED OFFICE HOLDERS
1983 - 1986**

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
Premier	\$37,630	\$39,100	\$40,860	\$41,675
Minister with Department	29,150	30,300	31,670	32,300
Minister with- our Portfolio	Up to 29,150	Up to 30,300	Up to 31,670	Up to 32,300
Speaker	29,150	30,300	31,670	32,300
Deputy Speaker	14,575	15,150	15,835	16,150

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
Leader of the Opposition	29,150	30,300	31,670	32,300
Leader of Recognized Party	(14,575)*	(15,150)*	15,835	16,150

* There was no leader of a "recognized party" in 1983 or 1984

We recommend that salaries for the several officers be increased by about two percent and be established as follows:

- R-2 For 1987 the salary of the Premier, under the Executive Council Act, be \$42,510.
- R-3 For 1987 the salary of a Minister having charge of a Department, under the Executive Council Act, be \$32,950.
- R-4 For 1987 the maximum possible salary for a Minister without portfolio, under the Executive Council Act, be \$32,950.
- R-5 For 1987 the salary of the Speaker, under the House of Assembly Act, be \$32,950.
- R-6 For 1987 the salary of the Deputy Speaker, under the House of Assembly Act, be \$16,475.
- R-7 For 1987 the salary for the Leader of the Opposition, under the House of Assembly Act, be \$32,950 and for the Leader of a recognized party, under the House of Assembly Act, be \$16,475.

For other salaried Members for whom salaries or payment for offices are provided under regulation, we recommend:

- R-8 For 1987 the salary established by regulation of the Legislature Internal Economy Board for the House Leader, for the Deputy House Leader, for the House Leader of the Official Opposition, for the Whip of each Party and for the Caucus Chairperson of each Party, in each case, be the same as in 1986.

In accordance with section 6 of the Executive Council Act, all members of the Executive Council are entitled to payment to indemnify them for reasonable expenses incurred for travelling or otherwise in the discharge of official duties. The Premier has been entitled to a representation allowance of \$4,000 in 1986 to cover additional miscellaneous expenses that the person holding the office of the First Minister in the province incurs in the discharge of his duties.

All those members of the Executive Council who are outside Members as defined in the House of Assembly Act, are entitled to an amount to reimburse them for travelling expenses between Halifax and the constituency and for actual expenses incurred as a result of being in Halifax while a member of the Council. One of the more important allowances provided for Ministers who are "outside Members" is an allowance for rental of accommodations in Halifax, in recognition of the fact that in most cases their service to the Province requires them to have a second residence. In 1986 up to \$12,000 could be recovered for costs incurred for accommodation in Halifax by these Ministers.

As was stated in the 1985 Report there are two major benefit programmes provided for the public service which have been made available to Members.

Thus the medical plan for the public service has been made available to Members on the same basis as for public servants and so has the basic group life programme. In the latter, however, we understand that the optional coverage that may be arranged by a Member at his expense does not now provide for insurance coverage of more than the annual indemnity. It ought to provide for coverage of the total remuneration of a Member including the annual allowance for expenses.

A third programme, introduced for public servants in the fall of 1985 provides for insurance related to annual earnings in the event of long term disability. We believe this programme should be available to Members and that in their case it should provide for insurance relating to the total remuneration of a Member including the indemnity and the annual allowance for expenses.

The Commissioners propose that:

P-3 In the case of optional extended group life insurance available to Members provision be made to permit insurance coverage of the total remuneration of a Member including the annual indemnity and the annual allowance for expenses; and

P-4 Arrangements be made for Members to participate in the long term disability insurance programme now available to public servants and that these arrangements provide for insurance relating to the total remuneration of a Member including the annual indemnity and the annual allowance for expenses.

VII. SALARIES FOR OFFICERS OF THE HOUSE

The House of Assembly Act, in Part VII, designates four Officers of the House of Assembly. These officers are the Chief Clerk, Assistant Clerk, Legislative Counsel and Sergeant-at-Arms. The Chief Clerk, Assistant Clerk and Legislative Counsel are designated by the Act as appointees of the Governor in Council and under the Public Service Act the Sergeant-at-Arms is appointed by the House.

The salaries for all of these officers are presently prescribed by regulation of the Legislature Internal Economy Board.

In the case of the Legislative Counsel, historically the salary for this officer was fixed by Governor in Council. Following the report of the Inquiry Commission of 1983, an Order in Council was passed enabling the salary of this officer to be set by the Legislature Internal Economy Board. In last year's report we urged that the Legislative Counsel warrants salary classification with that of the most senior group of Deputies and it is our understanding that this is presently the case. We would expect that the Board will continue with this practice in 1987.

With regard to the other officers, subsection 43(3) of the House of Assembly Act provides these salaries to be set by regulation of the Board and the regulation provides that for 1986 the salary of the Chief Clerk is \$33,256, for the Assistant Clerk is \$27,713 and for the Sergeant-at-Arms is \$17,737.

In line with our general recommendations for salary increments, the Commissioners propose that

P-5 The salaries of the Chief Clerk, the Assistant Clerk and the Sergeant-at-Arms be reviewed by the Legislature Internal Economy Board and set for 1987 at a level two percent above that established for 1986.

The House of Assembly Act provides for reimbursement to Officers of the House, as may be authorized by the Speaker or other member of the Legislature Internal Economy Board, to indemnify them for reasonable expenses of travel, accommodation or otherwise incurred while absent from their ordinary place of residence in connection with business of the House or of the Province.

In the past the Commissions have questioned the need for the allowances and we do so again this year. Your Commissioners suggest that the Internal Economy Board review the appropriateness of continuing these allowances in the future.

VIII. CONCLUSION

In the course of our Inquiry a variety of matters were brought to the attention of the Commissioners: not all of these have been dealt with or recorded in this report. We do record our gratitude to the many who assisted us by oral or written submissions or by giving Commissioners the benefit of considered opinions on matters relevant to this Inquiry.

After increases of slightly less than 4.5 percent for 1985 and 2 percent for 1986 we have again recommended a 2 percent increase for 1987. We note that with the reduction in payments for committee service now recommended the total remuneration payable to a Member has remained much the same between the years 1984 through 1987.

We do expect that the change in arrangements commenced in 1986 and continued in 1987 will facilitate clearer understanding of the remuneration paid to Members and, together with the publication of regulations of the Internal Economy Board providing for support and services for Members, that better understanding will serve to dispel unwarranted perceptions. In turn this should serve the public interest.

Now that the arrangements for Members' indemnity, allowances, committee fees and constituency support have been reasonably well determined and recognizing that, since 1984, no significant increases have been provided to M.L.A.'s it is reasonable to expect that in the future more significant increases may be indicated by a subsequent commission.

IX. SUMMARY OF RECOMMENDATIONS

The Commissioners make the following recommendations in their Report, after inquiry, respecting the indemnities, allowances and salaries to be paid under the House of Assembly Act and the Executive Council Act:

- R-1 For the year 1987, a Member of the House of Assembly be paid an annual indemnity of \$27,860 and an annual allowance for expenses of \$10,550 (p.25)
- R-2 For 1987 the salary of the Premier, under the Executive Council Act, be \$42,510 (p.37)
- R-3 For 1987 the salary of a Minister having charge of a Department under the Executive Council Act, be \$32,950 (p.37)
- R-4 For 1987 the maximum possible salary for a Minister without portfolio, under the Executive Council Act, be \$32,950 (p.37)
- R-5 For 1987 the salary of the Speaker, under the House of Assembly Act, be \$32,950 (p.37)
- R-6 For 1987 the salary of the Deputy Speaker, under the House of Assembly Act, be \$16,475 (p.37)
- R-7 For 1987 the salary for the Leader of the Opposition, under the House of Assembly Act, be \$32,950 and for the Leader of a recognized party, under the House of Assembly Act, be \$16,475 (p.37)
- R-8 For 1987 the salary established by regulation of the Legislature Internal Economy Board for the House Leader, for the Deputy House Leader, for the House Leader of the Official Opposition, for the Whip of each Party, and for the Caucus Chairperson of each Party, in each case, be the same as in 1986 (p.37)

X. SUMMARY OF PROPOSALS

The Commissioners consider that a number of matters which do not clearly fall within their commission "to make an enquiry and a report respecting the indemnities, allowances and salaries to be paid..." are worthy of further consideration by those responsible for the operations of the House of Assembly. While these are not recommendations to be implemented by the Speaker, the Commissioners, after inquiry, make these proposals:

- P-1 For the year 1987 there be paid to the Chairman of the Law Amendments Committee and the Chairman of the Legislative Internal Economy Board the sum of \$1,500, that there be paid to the Chairman of the Private and Local Bills Committee, the Public Accounts Committee and the Industry Committee the sum of \$1,000; that there be payable to the Chairman of all other Committees the sum of \$500.
(p.23)
- P-2 The Legislative Internal Economy Board review the existing payment practices on arrangements for support, service and facilities of private Members and give consideration to the following suggestions:
- (a) that Legislature Internal Economy Board Regulation 28(1) be revised to provide that each Member of the House be entitled to receive the sum of \$300 per month in lieu of expenses incurred on account of services to

that Member's Constituency, and a further sum not exceeding \$650 per month for expenses accounted for by proper receipts and incurred in services in that Member's Constituency for the provision of office space, meeting places, equipment, telephone (including long distance charges) within the Constituency and between the Constituency in Halifax; telephone answering services, advertising and secretarial services and any other expenses related to the Member's Constituency office;

- (b) that Legislature Internal Economy Board Regulation 5 be reviewed so that consideration be given to introduction of variable allowances in lieu of postage that at least in part reflect the number of households in a constituency. (p.28)

- P-3 In the case of optional extended group life insurance available to Members provision be made to permit insurance coverage of the total remuneration of a Member including the annual indemnity and the annual allowance for expenses; and (p.39)
- P-4 Arrangements be made for Members to participate in the long term disability insurance programme now available to public servants and that these arrangements provide for insurance relating to the total remuneration of a Member including the annual indemnity and the annual allowance for expenses. (p.39)
- P-5 The salaries of the Chief Clerk, the Assistant Clerk and the Sergeant-at-Arms be reviewed by the Legislature Internal Economy Board and set for 1987 at a level two percent above that established for 1986. (p.41)

APPENDIX "A"FOOTNOTES

1. House of Assembly Act, R.S.N.S. 1967, c.128, s.43A(3)(4) as amended 1983, c.29. (For text of s.43A see Appendix "B").
2. See Appendix "B" for letter appointing Commission, with a copy of s.43A of the House of Assembly Act, as enacted 1983, c.29.
3. Canadian Legislatures: The 1984 Comparative Study, published by the Office of the Assembly, Queen's Park, Toronto, 1985, Robert J. Fleming and W. Michael Wiebe.
4. Information provided by the Office of the Legislative Counsel.
5. Information provided by the Editors, Canadian Legislatures: The 1986 Study (not yet published), Robert J. Fleming and W. Michael Wiebe.

APPENDIX "B"**The Speaker**

House of Assembly
Nova Scotia

PO Box 1617
Halifax, Nova Scotia
B3J 2Y3

902 424-5707

September 25, 1986

Mr. George White, LL.B.
Patterson Kitz
Barristers and Solicitors
P. O. Box 1068
Truro, Nova Scotia
B2N 5B9

and

Mr. George Mitchell, Q.C.
Cox, Downie & Goodfellow
Barristers and Solicitors
P. O. Box 2380, Station M
Halifax, Nova Scotia
B3J 3E5

Gentlemen:

This will confirm your appointment as Commissioners pursuant to Chapter 29 of the Statutes of Nova Scotia, 1983, to make an enquiry and a report respecting the indemnities, allowances and salaries to be paid under the House of Assembly Act and the Executive Council Act.

I thank you for your willingness to undertake these duties and can assure you of the full co-operation of the Office of the Speaker in carrying out your work.

I look forward to receiving your report on or before December 1, 1986 as required by the Act.

Yours very truly,

Arthur R. Donahoe
Speaker

ARD:nk

AN ACT TO AMEND CHAPTER 128
OF THE REVISED STATUTES, 1967.
THE HOUSE OF ASSEMBLY ACT

(Assented to the 1st day of June, A.D. 1983)

Be it enacted by the Governor and Assembly as follows:

1 Section 43A of Chapter 128 of the Revised Statutes, 1967, the House of Assembly Act, is repealed and the following Section substituted therefor:

43A (1) The Speaker, after appropriate consultation, shall on or before the first day of October in each year appoint persons to make an inquiry and a report respecting the indemnities, allowances and salaries to be paid under this Act, the Executive Council Act and the Members' Retiring Allowances Act.

(2) The persons appointed pursuant to subsection (1) shall have all the powers and privileges and immunities of a commissioner under the Public Inquiries Act and shall complete their inquiry and deliver their report containing recommendations to the Speaker on or before the first day of December in the year in which they are appointed.

(3) The Speaker, upon receipt of the report containing the recommendations of the persons appointed pursuant to subsection (1), shall cause the recommendations to be implemented and they shall have the same force and effect as if enacted by the Legislature and shall be in substitution for provisions of this Act, the Executive Council Act and the Members' Retiring Allowances Act, as the case may be.

(4) The recommendations shall apply, from the first day of January immediately following the year in which the persons are appointed to make the report, until subsequently changed.

APPENDIX "C"ACKNOWLEDGEMENTS

The Commissioners gratefully acknowledge the contributions of those many individuals and organizations who made oral or written submissions to them or were helpful when consulted in the course of this Inquiry.

During the course of the Inquiry, advertisements were placed in all the daily newspapers in Nova Scotia to advise the general public of the Commission's work and to invite submissions. A public hearing was held in Halifax on Tuesday, October 28, 1986. We thank those who made submissions to us, at the public hearing as well as privately. Those who made presentations at the public hearing were:

Nova Scotia New Democratic Party, represented by
Dr. William Woodfine, Provincial President;

Nova Scotia Federation of Labour, represented by
Mr. Leo McKay, Executive Secretary, and
Mr. Rene Quigley, Secretary-Treasurer;

As indicated, the Commissioners also had the opportunity to meet with or exchange correspondence with a number of people. We acknowledge the very helpful assistance of the following persons:

APPENDIX "C" - Cont'd

Byron Anthony, Deputy Minister, Management Board

Jim Barkhouse, M.L.A., Lunenburg East

Guy Brown, M.L.A., Cumberland Centre

Hon. John M. Buchanan, Q.C., Premier, M.L.A.,
Halifax Atlantic

O. Paul Cormier, Auditor General, Nova Scotia

Hon. Arthur R. Donahoe, Q.C., Speaker of the
House, M.L.A., Halifax Citadel

Hon. Terence R.B. Donahoe, Q.C., Minister of
Education, M.L.A., Halifax-Cornwallis

Hugh Lousanne, Editor, Halifax

Percy Fleet, Superintendent of Pensions,
Department of Finance

Robert J. Fleming, Director of Administration,
Ontario Legislative Assembly

J. William Gillis, M.L.A., Antigonish

John Holm, M.L.A., Sackville

Don Hubley, Administrative Coordinator, Office of
the Speaker

Hon. J. Greg Kerr, Minister of Finance, M.L.A.,
Annapolis West

Jerry Lawrence, Halifax, St. Margarets

Robert Levy, M.L.A., King's South

Harold Long, Sergeant-at-Arms

Rod MacArthur, Assistant Clerk of the House

Alexa McDonough, M.L.A., Halifax Chebucto, Leader
of New Democratic Party

Paul MacEwan, M.L.A., Cape Breton Nova, President
and Leader of the Cape Breton Labor Party

Alex MacIntosh, M.L.A., Yarmouth

APPENDIX "C" - Cont'd

Hon. Vincent J. MacLean, M.L.A., Cape Breton
South, Leader of the Liberal Party

C.W. Chuck MacNeil, Guysborough

S. Myles Rector, Director of Administration,
Office of the Speaker

Gerald C. Ritcey, Truro

Ross Sheppard, Public Service Commission

Harold Stevens, Q.C., Clerk, Executive Council

Graham Walker, Q.C., Legislative Counsel

Michael Weibe, Executive Assistant to Director of
Administration, Ontario Legislative Assembly

The Commissioners wish to draw particular attention to a publication that was most helpful in their inquiry: Canadian Legislatures: The 1985 Comparative Study edited by Robert J. Fleming and W. Michael Weibe, published by The Office of the Assembly, Queen's Park, Toronto. This study presents a comprehensive overview of the workings of the House of Commons and the legislatures of the ten provinces and two territories. Mr. Fleming was also most helpful in providing the Commissioners with data for 1986 where it was available.

APPENDIX "C" - Cont'd

The Commissioners acknowledge the assistance in their work of S. Myles Rector and Ms. Joan Kelly, both of the Office of the Speaker, who assisted with correspondence and advertising for the Inquiry. Ms. Kelly served as Secretary to the Commission of Inquiry and assisted with many details which made the preparation of this Report far simpler than it would have been without the benefit of her knowledge and talents.

APPENDIX "D"

LEGISLATURE INTERNAL ECONOMY BOARD REGULATION

CITATION

- 1 This Regulation may be cited as Internal Economy Board Regulation 1986.

AUTHORITY

2 This Regulation is made by the Legislature Internal Economy Board, pursuant to Section 43 of the House of Assembly Act, Chapter 128 of the Revised Statutes, 1967, as that Section is enacted by Chapter 39 of the Acts of 1974 and amended by Chapter 22 of the Acts of 1970-79 and Chapter 28 of the Acts of 1982, subsection (2) of Section 40 of the House of Assembly Act, as that subsection is enacted by said Chapter 39 and amended by said Chapters 22 and 28, subsection (1) of Section 40B of the House of Assembly Act, as that subsection is enacted by said Chapter 22 and amended by said Chapter 28, subsection (7) of Section 42 of the House of Assembly Act, as that subsection is enacted by said Chapter 39 and amended by said Chapter 22, and Section 6A of the Executive Council Act, as that Section is enacted by Chapter 24 of the Acts of 1982.

INTERPRETATION

- 3 Unless otherwise stated, in this Regulation,

(a) "economy air fare" does not include expenses incurred for the private charter of aeroplanes;

(b) "recognized party" means a party represented by two or more members and which is a recognized party in accordance with the Elections Act and had candidates standing for election for three quarters of the seats of members in the House and which received ten per cent or more of the votes officially recorded in the latest general election of the members of the House; and

(c) other words, phrases and expressions have the same meaning as in the House of Assembly Act.

HOUSE INDEMNITY-ALLOWANCE-TRAVEL-EXPENSE

Indemnity-Allowance-Salary

- 4 (1) Each member of the House is entitled during the year 1986 to receive his full indemnity and allowance

(a) at any time during that year in a lump sum payment; or

(b) where the member so requests in writing of the Chairman of the Legislature Internal Economy Board, in four, twelve or twenty-

APPENDIX "D" - Cont'd

six equal instalments, each instalment being paid at equally spaced intervals throughout the year.

(2) The Clerk, the Assistant Clerk and the Sergeant-at-Arms are eligible to draw their salaries in the same manner as the members of the House of Assembly.

Franking

5 Each member of the House is entitled to receive \$3,000.00 in substitution for the franking privilege and in lieu of expenses incurred on account of postage.

Clerk, Assistant Clerk and Sergeant-at-Arms

6 The Clerk, the Assistant Clerk and the Sergeant-at-Arms are each eligible to receive

(a) \$832.00 in lieu of expenses incurred on account of telephone expenses; and

(b) \$728.00 in lieu of expenses incurred on account of postage.

Outside Member Travel

7 Subject to Section 32, each outside member, except the member of the Executive Council holding the recognized position of Premier or a member of the Executive Council having charge of a department or the member occupying the recognized position of Leader of the Opposition or a leader of a recognized party, is entitled to reimbursement for actual travelling expenses calculated in accordance with Section 33 and incurred in 1986 between the place where he is ordinarily resident and the City of Halifax to attend sittings of the House.

Outside Member Allowance

8 Each outside member, except the member of the Executive Council holding the recognized position of Premier or a member of the Executive Council having charge of a department or the member occupying the recognized position of leader of the Opposition or a leader of a recognized party, is entitled for attending a sitting of the House to

(a) an amount of \$50.00 on account of expenses, without receipts, for each day that he is in attendance at the House while the House is in session; and

(b) reimbursement in addition to that authorized by clause (a) for expenses,

(i) with proper receipts for sleeping accommodation charges only, or

55
APPENDIX "D" - Cont'd

(ii) notwithstanding Sections 7 and 32, for travel by the shortest and most convenient route between the place where the outside member is ordinarily resident and the place where the House ordinarily sits at the rate set out in Section 33,

incurred in attending the House while it is in session to a maximum of \$70.00 per day.

Non-Outside Member and Outside Member of Executive Council Allowance

9 Each non-outside member, and each outside member who is a member of the Executive Council or the member occupying the recognized position of Leader of the Opposition or a leader of a recognized party and not entitled to submit a claim pursuant to Section 8, is entitled to an amount of \$35.00, without receipts, for expenses for each day that he is in attendance at the House while the House is in session.

Committee Fee

10 (1) The Chairman and each member of each Standing, Select and Special Committee of the House and the Legislature Internal Economy Board is entitled to receive a payment of \$100.00 for each day on which the Chairman or member attends a meeting of a Committee or the Board when the House is not sitting or the meeting is held outside the Halifax-Dartmouth metropolitan area.

(2) Notwithstanding subsection (1), no Chairman nor member shall receive more than one payment pursuant to subsection (1) for a day for attending more than one meeting of a Standing, Select or Special Committee of the House or the Legislature Internal Economy Board on the same day at the same place or, in the case of the Halifax-Dartmouth metropolitan area, in the Halifax-Dartmouth metropolitan area.

Committee Expenses

11 (1) For attendance at a meeting referred to in Section 10, the Chairman or member is entitled to receive reimbursement for

(a) actual expenses incurred in respect of accommodation, meals and other reasonable expenses incurred for the purpose of attending the meeting; and

(b) travelling expenses calculated in accordance with Section 33.

(2) Sleeping accommodation charges incurred and claimed pursuant to subsection (1) shall

(a) be accompanied by proper receipts; and

(b) not exceed the government rate for the establishment where the member stayed.

56
APPENDIX "D" - Cont'd

House Leaders

- 12 (1) A payment of \$5,000.00 shall be made to the House Leader.
- (2) A payment of \$3,000.00 shall be made to the Deputy House Leader.
- (3) A payment of \$2,000.00 shall be made to the person recognized by the Speaker as occupying the position of House Leader of the Official Opposition.
- (4) The Whip of each recognized party of the House shall receive a payment determined by multiplying the number of members of his party by \$85.00.
- (5) The Caucus Chairman of each recognized party of the House shall receive a payment determined by multiplying the number of members of his party by \$85.00.
- (6) In this Section, "member" means a duly elected member of the House but does not include the Speaker.
- (7) If a payment is made pursuant to this Section to a member in his capacity of House Leader, Deputy House Leader, House Leader of the Official Opposition, Whip or Caucus Chairman, no further payment may be made pursuant to this Section in respect of that position.

CAUCUS

Offices

- 13 (1) In order to promote the intent of the House of Assembly Act, a payment shall be made to the Caucus Office of each recognized party for support services for that Office, such payment to be equal to the number of dollars determined by multiplying the number of Caucus members of that party in the House by \$255.00, and such payment made each month.
- (2) Expenditures of money received pursuant to subsection (1) shall be under the control of the leader of each opposition party and, in the case of the government Caucus, the person chosen by that Caucus for that purpose.
- (3) Payment pursuant to this Section shall be made to each Caucus office only and not to an individual member of the House.

Private Member Secretarial Assistance

- 14 (1) To provide secretarial assistance to private members, a payment shall be made to the Caucus Office of each recognized party in the amount that is determined by multiplying the number of private members in the caucus of the party in the House by \$6,000.00.

57
APPENDIX "D" - Cont'd

(2) Payment pursuant to this Section shall be made to each Caucus Office only and not to an individual member of the House.

(3) Notwithstanding subsection (1), no Caucus Office of a recognized party shall receive a sum of less than \$15,000.00 pursuant to this Regulation.

(4) In this Section, "private member" does not include the Speaker, the member occupying the recognized position of Premier, a member of the Executive Council, the member occupying the recognized position of Leader of the Opposition nor a leader of a recognized party.

Caucus Chairmen

15 (1) The chairman of the Government Caucus shall be provided with an amount of money sufficient to enable him to engage the services of a secretary at the AS 11 level on the Government Administrative Support Classification and Pay Plan.

(2) The chairman of the Caucus of the Official Opposition shall be provided with an amount of money sufficient to enable him to engage the services of a secretary at the AS 11 level on the Government Administrative Support Classification and Pay Plan.

PREMIER

Representation Allowance

16 A representation allowance in the amount of \$4,000.00 shall be paid to the Premier of Nova Scotia for the period from January 1, 1986, to December 31, 1986.

LEADER OF OPPOSITION

Expenses

17 The member occupying the recognized position of Leader of the Official Opposition, in carrying out official duties within the Province, is entitled to be reimbursed for actual and reasonable expenses incurred for accommodation, meals, travel and incidentals incurred by him and one assistant travelling with him.

Living Allowance

18 The member occupying the recognized position of Leader of the Official Opposition, as an outside member, shall receive an allowance equivalent to that provided pursuant to the Executive Council Act to members of the Executive Council for living expenses within the City of Halifax.

58
APPENDIX "D" - Cont'd

Motor Vehicle

19 The member occupying the recognized position of Leader of the Official Opposition is entitled to a leased motor vehicle on the same basis as is a member of the Executive Council for a government leased or purchased motor vehicle.

LEADER OF RECOGNIZED PARTY

Expenses

20 A leader of a recognized party in carrying out official duties within the Province is entitled to be reimbursed for actual and reasonable expenses for accommodation, meals, travel and incidentals incurred by the leader and one assistant travelling with the leader.

MEMBER FOR CAPE BRETON NOVA

Support Services

21 (1) The member for Cape Breton Nova shall be provided with

- (a) office space not exceeding three hundred square feet;
- (b) one secretary at the Civil Service classification AS6;
- (c) office furniture necessary to furnish the office for the member and one secretary;
- (d) one telephone line;
- (e) one typewriter; and
- (f) reasonable postage.

(2) Should there be any question arising from subsection (1) in respect of the office of the member for Cape Breton Nova concerning

- (a) the selection of space;
- (b) the selection or amount of furniture;
- (c) the selection of a typewriter; or
- (d) reasonable postage,

such question shall be determined by the Chairman of the Legislature Internal Economy Board.

(3) The member for Cape Breton Nova shall be entitled to the sum of \$200.00 per month in lieu of additional secretarial assistance:

59
APPENDIX "D" - Cont'd

(4) The member for Cape Breton Nova may incur long distance telephone charges for telephone calls made from the telephone in his office in respect of House or constituency business.

CHIEF CLERK

Salary
22 The Chief Clerk shall be paid a salary of \$33,256.00 per annum.

ASSISTANT CLERK

Salary
23 The Assistant Clerk shall be paid a salary of \$27,713.00 per annum.

SERGEANT-AT-ARMS

Salary
24 The Sergeant-at-Arms shall be paid a salary of \$17,737.00 per annum.

BILLS

Subscription
25 For the period from and including October 1, 1985, to and including September 30, 1986, the amount to be paid by subscribers to Bills of the House of Assembly is \$75.00 for each subscription.

HANSARD

Subscription
26 For the period from and including October 1, 1985, to and including September 30, 1986, the amount to be paid by subscribers to Hansard is \$75.00 for each subscription.

CONSTITUENCY MATTERS

Travel
27 Each member of the House is entitled to receive \$2,000.00 in lieu of expenses incurred on account of travel within the member's constituency.

Services
28 (1) Each member of the House is entitled to receive the sum of \$300.00 per month in lieu of expenses incurred on account of services to that member's constituency and a further sum not exceeding \$350.00 per month for expenses accounted for by proper receipt and incurred in services in that

60
APPENDIX "D" - Cont'd

member's constituency for the provision of office space, meeting places, equipment, telephone, telephone answering services, advertising and secretarial services.

(2) Where the maximum amount that may be claimed pursuant to subsection (1) is not claimed in any month the unclaimed balance may be claimed in a subsequent month.

(3) For an outside member whose costs for long distance calls within the constituency or between the constituency and Halifax are not met within the limit of the \$350.00 allowance referred to in subsection (1), the member shall be reimbursed for an additional sum not exceeding \$100.00 for those costs upon presentation of proper receipts.

Attendance at Halifax

29 (1) Subject to Section 32, each outside member, except the member of the Executive Council holding the recognized position of Premier or a member of the Executive Council having charge of a department or the member occupying the recognized position of Leader of the Opposition or a leader of a recognized party, is entitled to

(a) an allowance of \$50.00 on account of expenses, without receipts, for each day; and

(b) reimbursement in addition to that authorized by clause (a) for travelling expenses calculated in accordance with Section 33 and expenses for sleeping accommodation charges incurred,

for return trips between the place where he is ordinarily resident and the City of Halifax to attend in Halifax other than to attend a sitting of the House or one of its committees.

(2) Sleeping accommodation charges incurred and claimed for pursuant to subsection (1) shall

(a) be accompanied by proper receipts;

(b) not be for more than two nights accommodation unless approved in advance by the Chairman of the Legislature Internal Economy Board; and

(c) not exceed the government rate for the establishment where the member stayed.

Attendance at Ottawa

30 (1) Each member is entitled to

(a) an allowance of \$75.00 on account of expenses, without receipts, for each day; and

(b) reimbursement in addition to that authorized by clause (a) for economy air fare, normal airline ground transportation and expenses for sleeping accommodation charges incurred,

for two return trips between the place where he is ordinarily resident and the City of Ottawa to attend in Ottawa on constituency business.

(2) Sleeping accommodation charges incurred and claimed pursuant to subsection (1) shall

- (a) be accompanied by proper receipts;
- (b) not be for more than two nights accommodation; and
- (c) not exceed the government rate for the establishment where the member stayed.

Other Attendance Outside the Province

31 (1) Where a member is not reimbursed pursuant to Section 30, that member is entitled to

- (a) an allowance of \$75.00 on account of expenses, without receipts, for each day; and
- (b) reimbursement, in addition to that authorized by clause (a), for economy air fare, normal airline ground transportation and expenses for sleeping accommodation charges incurred,

for one return trip between the place where he is ordinarily resident and another place in Canada outside the Province to attend that other place on constituency business.

(2) Sleeping accommodation charges incurred and claimed pursuant to subsection (1) shall

- (a) be accompanied by proper receipts;
- (b) not be for more than two nights accommodation; and
- (c) not exceed the government rate for the establishment where the member stayed.

(3) Notwithstanding subsections (1) and (2), the member is not entitled to an amount pursuant to this Section for economy air fare charges in excess of that to which he would have been entitled pursuant to Section 32.

APPENDIX "D" - Cont'd

GENERAL

Restriction

32 No member shall be reimbursed for travel expenses authorized by Sections 7 and 29 in excess of fifty-two return trips in 1986 between the place where he is ordinarily resident and the City of Halifax to attend in Halifax, other than for attendance at a meeting of a Select Committee, a Special Committee or a Standing Committee.

Calculation of Travel Expense

33 Each outside member of the House, the member occupying the recognized position of Leader of the Opposition and a leader of a recognized party entitled under the House of Assembly Act to receive travelling expenses is entitled to be reimbursed for claimed travelling expenses incurred out of the Consolidated Fund of the Province for travel by the shortest and most convenient route between the place where he is ordinarily resident and the place where the House ordinarily sits or the Committee is meeting at

- (a) the rate of 40.5 cents per mile or 25.2 cents per kilometre; or
- (b) the cost of economy air fare plus normal airline ground transportation.

Request for Reimbursement

34 A person who makes a request for payment or reimbursement shall

- (a) make the request in writing on the form provided by the Legislature Internal Economy Board;
- (b) make the request within six months from the time the payment or claim for which reimbursement is made was incurred or became eligible to be paid;
- (c) sign the request and certify that the request is correct; and
- (d) forward the request to the office of the Speaker.

Limitation on Reimbursement

35 Notwithstanding anything contained in this Regulation, no member may claim for reimbursement an expense

- (a) for which he is reimbursed pursuant to another regulation or enactment;
- (b) paid to his spouse, child, parent, brother or sister;
- (c) paid to a person living in the same dwelling, as a member of the same household;

APPENDIX "D" - Cont'd

(d) paid to any business or on account of property in which the member or those persons mentioned in clause (b) or (c) have an ownership interest.

Payment Approval

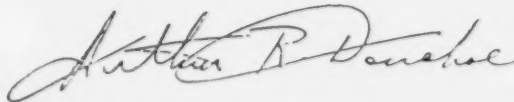
36 (1) Directions for payment of indemnities, allowances, payments or reimbursements and approval of requests for payment or reimbursement shall be issued or made by the Chairman of the Legislature Internal Economy Board, the Vice-Chairman or a person designated by the Chairman.

(2) The person who approves a request for payment or reimbursement has the authority to reduce or increase the amount of the payment or reimbursement claimed where he determines that the amount claimed is in error.

Application

37 This Regulation is applicable for the period from the first day of January, 1986, to the thirty-first day of December, 1986.

Approved by the Legislature Internal Economy Board at Halifax, Nova Scotia this 11th day of December, 1985.



Hon. Arthur R. Donahoe, Q.C.
Chairman

APPENDIX "E"

SUMMARY RECORD OF INDEMNITIES, ALLOWANCES AND SALARIES FOR M.L.A.'S,
SALARIED MEMBERS AND MEMBERS OF THE EXECUTIVE COUNCIL IN NOVA SCOTIA
1978 to 1986

M.L.A.'S		ANNUAL SALARIES IN ADDITION TO M.L.A.'S REMUNERATION							
Year	Annual Indemnity	Annual Expense Allowance	Speaker	Deputy Speaker	Leader of Opposition	Leader of Recognized Party	Minister without Portfolio	Minister with Portfolio	Premier
1976	\$13,200	\$ 6,600	\$15,000	\$ 7,500	\$21,000	\$ 6,000	\$ 6,000 to \$21,000	\$21,000	\$25,000
1979	14,000	7,000	15,000	7,500	25,000	10,000	7,500 to 25,000	25,000	32,000
1980	14,800	7,400	15,000	7,500	25,000	10,000	7,500 to 25,000	25,000	32,000
1981	15,600	7,800	15,000	7,500	25,000	10,000	7,500 to 25,000	25,000	32,000
1982	16,400	8,200	15,000	7,500	25,000	10,000	7,500 to 25,000	25,000	
1983	*18,656	9,328	29,150	14,575	29,150	14,575	7,500 to 29,150	29,150	37,630
1984	*19,400	9,700	30,300	15,150	30,300	15,150	7,500 to 30,300	30,300	39,511
1985	*20,280	10,140	31,670	15,835	31,670	15,835	7,500 to 31,670	31,670	40,860
1986	*27,315	10,340	32,300	16,150	32,300	16,150	7,500 to 32,300	32,300	41,675

* For the years 1983, 1984 and 1985 committees fees earned on average by each Member for service on committees were \$8,300, \$8,500 and \$6,500 respectively. The "integrated annual indemnity" as referred to in this Report and in the Report of 1985 was \$26,956 for 1983, \$27,900 for 1984 and \$26,780 for 1985.

In addition to the Annual Indemnity and Annual Expense Allowance paid to M.L.A.'s in 1986, committees received by M.L.A.'s for service on committees averaged approximately \$1,150 per Member.

65
APPENDIX "E" - Cont'd

Appendix E
Table E-2

INDEMNITIES, ALLOWANCES AND SALARIES FOR ELECTED MEMBERS
BY PROVINCE 1986
(WITH NEAREST CALENDAR YEAR)

Year	N.S. 1986	N.B. 1986	P.E.I. 1986	N.F.L. 1986	QUE. 1986	ONT. 1986	MAN. 1986	SASK. 1986	ALTA. 1986	B.C. 1986
Basic Indemnity	\$27,315	\$30,640	\$16,400	\$24,403	\$41,800	\$36,166	\$24,136	\$20,968	\$28,141	\$26,698
Expense Allowance	10,340	12,256	7,400	12,201	8,490	12,142	12,068	10,484	7,508	13,349
Salaries:										
Premier	41,675	41,874 ²	41,650	44,096	54,340	44,591	26,511	37,656	47,769	36,480
Minister with Portfolio	32,300	27,917 ²	29,400	31,970	37,620	26,499	20,531	28,327	38,896	31,283
Minister without Portfolio to 32,300	7,500	20,938	N/A	15,000	33,440	13,306	15,548	28,327	27,592	N/A
Opposition Leader	32,300	27,917	25,100	31,970	37,620	31,054	20,531	28,327	38,896	24,762
Leader of recognized party	16,150	N/A	N/A	N/A	14,630	15,582	N/A	14,163	9,261	N/A
Speaker	32,000	20,938	9,400	31,970	37,620	19,560	15,500	11,054	38,896	24,762
Deputy Speaker	16,150	10,469	4,800	10,600	16,720	8,187	3,500	6,562	19,448	11,056

1. Newfoundland members also receive a travel allowance of \$13,262 to \$17,502 depending on distance to St. John's.
2. April 1, 1985.

APPENDIX "E" - Cont'd

SUMMARY OF ADDITIONAL REMUNERATION FOR PARTICULAR RESPONSIBILITIES
AND FOR COMMITTEE SERVICE IN THE LEGISLATURE BY PROVINCE

TABLE E-3

A. Particular Legislature Responsibilities (1986)											
Responsibility	N.S.	N.B.	P.E.I.	Nfld.	QUE.	ONT.	MAN.	SASK.	ALTA.	B.C.	
Parliamentary Assistant	-	-	-	\$15,000	\$ 8,360	\$ 8,187	\$2,500	\$6,907	-	\$3,000	
Deputy Chair, C'tee of Whole	-	-	-	5,300	-	5,686	2,500	1,923	9,724	2,000	
Standing C'tee, Chair	\$500-2500	-	-	5,000	10,450	4,434	-	1,923/	-	-	
						8888.					
Standing C'tee, Vice-Chair	-	-	-	4,000	8,360	-	-	-	-	-	
House Leader	5,000	-	-	-	-	-	-	-	-	-	
Deputy Gov't House Leader	3,000	-	-	-	8,360	-	-	-	-	-	
Opposition House Leader	2,000	-	-	15,900	14,630	10,121	2,500	1,923/	-	1,500	
						8888.					
Deputy Opposition House Leader	-	-	-	-	6,950	-	-	-	-	-	
3rd Party House Leader	-	-	-	-	-	7,619	-	-	-	-	
Chief Gov't Whip	\$85/mem.	1,500	-	5,000	14,630	10,121	2,500	3,206	-	2,000	
Aast. Gov't Whip	-	-	-	-	6,950	\$6736/5033	-	1,923/	-	-	
						8888.					
Chief Opposition Whip	\$85/mem.	1,500	-	5,000	12,540	6,936	2,500	3,206/	-	1,500	
						8888.					
Aast. Opposition Whip	-	-	-	-	6,950	5,003	-	1,923/	-	-	
						8888.					
Chief 3rd Party Whip	\$85/mem.	-	-	-	6,950	5,686	-	1,035/	-	-	
						8888.					
Aast. 3rd Party Whip	-	-	-	-	-	4,548	-	517/	-	-	
						8888.					
Caucus Chairperson, each Party	\$85/mem.	-	-	-	-	-	-	-	-	-	

B. Remuneration for Committee Service (1985)

In addition to payments for Standing Committee Chairman and Vice-Chairman, noted above, the following summary reflects arrangements reported for service as Members on House Committees:

- per diem - Saskatchewan
- per diem paid when House not sitting in Newfoundland, P.E.I., Nova Scotia, Quebec, Manitoba and Alberta, and in Ontario
- similar payments when House not sitting or Committees meet away from legislature while the House is sitting.
- per diem expense allowance, non-accountable, paid in New Brunswick
- established by Order in Council for specific committees in British Columbia - Members usually receive no per diem for committee work.

Source: Canadian Legislatures: the 1985 Comparative Study, Robert J. Fleming and W. Michael Weibe, Office of the Assembly, Queen's Park, Toronto; 1986 data supplied by these editors.

APPENDIX "E" - Cont'd

APPENDIX E
TABLE E-4SITTING DAYS PER SESSION OF THE NOVA SCOTIA LEGISLATURE
1967-1986

<u>Year</u>	<u>Assembly</u>	<u>Session</u>	<u>Sitting Days</u>
1967	49th Assembly	1st Session	4 days
1968		2nd Session	33 days
1969		3rd Session	47 days
1970		4th Session	45 days
1970-71	50th Assembly	1st Session	40 days
		2nd Session	6 days
1972		3rd Session	57 days
1973		4th Session	52 days
		5th Session	11 days
1974	51st Assembly	1st Session	41 days
1975-76		2nd Session	69 days
1976-77		3rd Session	55 days
1977-78		4th Session	58 days
1978		5th Session	54 days
1978-79	52nd Assembly	1st Session	77 days
1980		2nd Session	64 days
1981		3rd Session	83 days
1982	53rd Assembly	1st Session	87 days
1983		2nd Session	64 days
1984		3rd Session	67 days
1985	54th Assembly	1st Session	50 days
1986		2nd Session	56 days

TOTAL DAYS OF EXTENDED HOURS 1978-1986

1978-79	39 days
1980	25 days
1981	38 days
1982	31 days
1983	33 days
1984	22 days
1985	16 days
1986	32 days

Source: The Office of the Speaker of the House of Assembly.

UNIONIZED WAGE SETTLEMENTS
AVERAGE ANNUAL COMPOUND
PERCENTAGE INCREASES
1986

All Industry - Nova Scotia Certified

1st quarter base level wages	4.8%
2nd quarter base level wages	5.3%
3rd quarter base level wages	3.6%
1st quarter skilled level wages	4.4%
2nd quarter skilled level wages	6.3%
3rd quarter skilled level wages	3.9%

Public Administration Sector - Nova Scotia

1st quarter base level wages	6.4%
2nd quarter base level wages	4.6%
3rd quarter base level wages	2.7%
1st quarter skilled level wages	4.1%
2nd quarter skilled level wages	6.0%
3rd quarter skilled level wages	4.6%

All Industry - Federally Certified

1st quarter	3.5%
2nd quarter	3.7%

Public Sector - Federal

1st quarter	3.5%
2nd quarter	3.7%

Private Sector - Federally Certified

1st quarter	3.6%
2nd quarter	3.7%

Source: Nova Scotia Department of Labour, Research Division

AVERAGE SALARIES OF SELECTED PUBLIC SECTOR GROUPS
NOVA SCOTIA, 1978-1986

	<u>Year</u>	<u>Average Salary</u>
TEACHERS	Aug. 01/78	\$19,271
	Aug. 01/79	21,294
	Aug. 01/80	23,896
	Aug. 01/81	27,473
	Aug. 01/82	30,251
	Feb. 01/83 - Aug. 01/83	33,701
	Aug. 01/84	35,307
	Aug. 01/85	38,131
	Aug. 01/86	38,064
DEPUTY MINISTERS	1978	\$44,439
	1979	47,285
	1980	50,714
	1981	55,714
	1982	58,193
	1983	60,521
	(April 1) 1984	70,681
	(April 1) 1985	73,492
	(March 30) 1986	74,456
PROVINCIAL JUDGES	Apr. 01/78	\$36,404
	Apr. 01/79	39,317
	Apr. 01/80	42,462
	Apr. 01/81	45,859
	Apr. 01/82	50,838
	Apr. 01/83	53,888
	Apr. 01/84	57,000
	Apr. 01/85	60,000
	(Under Review) Apr. 01/86	60,000
CIVIL SERVICE MANAGEMENT GROUP	Apr. 23/78	\$26,372
	Apr. 22/79	28,019
	Apr. 20/80	30,610
	Apr. 19/81	31,953
	Apr. 01/82	34,807
	Apr. 01/83	37,436
	Apr. 01/84	39,311
	Apr. 01/85	41,309
	Mar. 30/86	42,136

* The average for Teachers for Aug. 01/85 is calculated on the basis of contractual changes, while for earlier years the average is the average of salaries paid.

Source: Nova Scotia Civil Service Commission, November, 1986

CONSUMER PRICE INDEX FOR CANADA (All items)
1978-1986

(1981 = 100)

December 1978	76.5
December 1979	84.0
December 1980	93.4
December 1981	104.7
December 1982	114.4
October 1983	119.2
December 1983	119.6
October 1984	123.2
December 1984	124.1
September 1985	128.0
September 1986	133.3

Cumulative Increase: December 1978 to September 1986:
56.8 index points or 74.2%

Increase September 1985 to September 1986, All items index:
for Canada as a whole - 5.2 points or 4.1%
for Halifax - 4.6 points or 3.6%

Source: Statistics Canada, Consumer Prices and Price Indexes

APPENDIX "F"**Principles Relating to Remuneration and Support for
Members and Ministers****Identified in Previous Reports of Commissions of Inquiry
in Nova Scotia in 1977 and 1982**

The primary rewards in an active life of service to the public are the opportunity to serve and contribute to the resolution of social problems and to the improvement of life for all in the province. In our meetings and discussions with elected members, and former members, we have been impressed with this vision by those who so serve, and by the sincerity with which they approach their task. As in an earlier report, we again underline our considered view that over the years Nova Scotia has been singularly blessed by the willingness of able people to take their part in public life. Many have done so at considerable personal sacrifice for themselves and their families. In recent years, as at other times when remuneration for service in office has fallen behind escalating costs, many have served at substantial financial cost to themselves both in direct costs exceeding their remuneration, sometimes to the extent of several thousands of dollars, and indirect losses of income that might be derived from business, professional practice or other activities if time were not so committed to service in government, the legislature and to constituents.

At any time the financial and other circumstances of life for members elected to the legislature will vary on a personal, individual basis. Fortunately, our legislators do not fit any mold and they represent constituencies which vary in size, in economic circumstances and in social standards. From a variety of backgrounds across the province they together provide assurance that our democratic processes ultimately will work to serve our own long-run interests.

While there is no "standard" M.L.A., we have the task of assessing standards for their remuneration. In our view, that task involves developing a standard for fair and reasonable indemnities, allowances and salaries based on certain principles. Those principles enunciated in previous reports include:

- 1) remuneration should be adequate in light of the time and responsibilities involved in office, and the risks of disruption of career and personal opportunities so that our political parties and their leaders, upon whom parliamentary government depends, may attract the most able persons among us to seek office and not deter the best of those elected from accepting and continuing full-time service in government;
- 2) remuneration should be reasonable so that the person who has no personal financial resources except through his vocational earnings, which may be terminated or seriously affected if he is elected, is not dissuaded from seeking office to serve the province merely because of financial circumstances;
- 3) remuneration should be adequate to ensure that M.L.A.'s and Ministers are supported without unfair financial sacrifice upon them or their families, particularly for those in their prime earning years when family and other obligations are likely to be heavy.

Remuneration and support that is fair and reasonable will not unduly encourage anyone interested primarily in financial reward for the balanced judgment of political parties and of the electorate can be counted upon to reject those not primarily interested in public service. Nor will such remuneration result in any significant financial advantage for any elected member who happens to be comparatively well-to-do, for our progressive income tax structure precludes that result.

APPENDIX "F" - Cont'd

In the application of these principles a number of factors have been taken into account in previous studies including:

- 1) The evolving workload of M.L.A.'s, the House of Assembly and Minister's both in relation to legislative and governmental concerns of the province, and, for each member in service to constituents.
- 2) Changes in general economic circumstances since the last basic change in indemnities, allowances and salaries - e.g.
 - changes in inflation indexes.
 - changes in wages and salaries in the private and public sectors in the province.
- 3) Comparisons with levels of similar payments for service in the legislatures of other provinces of Canada.

APPENDIX "G"**The Speaker**

Administration

PO Box 1617
Halifax, Nova Scotia
B3J 2Y3

902 424-4478

August 18, 1986

TO: Members of the Nova Scotia Legislature

FROM: S. Myles Rector
Director of Administration

At a recent meeting the Legislature Internal Economy Board, accepting a recommendation from the MacKay-White Commission, approved additional payments to Members who serve as Chairmen of Legislature committees and to Members who serve on the Law Amendments, Public Accounts, Industry, Private and Local Bills and Public Accounts Committees and the Internal Economy Board. These payments are to be made in recognition of the fact that service on these Committees requires an additional commitment of time and effort over and above the normal duties performed by M.L.A.s. The scale of payments was set as follows:

Law Amendments	- \$2,000 for Chairman 1,500 for Members
Industry	- (1,000 for Chairman
Private & Local Bills	- (
Public Accounts	- (750 for Members
Chairpersons of all other committees	- 500

All fees are to be effective as at January 1, 1986.

I wish to emphasize that this arrangement was agreed to by the Internal Economy Board as an interim measure and will be subject to review in light of any changes in committee structure and function which might be recommended by the Special Committee on Rules and Procedures.

In light of the decision of the Internal Economy Board, I enclose a cheque payable to you for your service on Legislature committees during the 1986 session.

SMR:nk

Enclosure



HOUSE OF ASSEMBLY
NOVA SCOTIA
REPORT
COMMISSION OF INQUIRY
ON
REMUNERATION OF ELECTED
Provincial Officials
DECEMBER 1, 1986
(Members' Retiring Allowances Act)



COMMISSION OF INQUIRY
ON
REMUNERATION OF ELECTED
PROVINCIAL OFFICIALS

George M. Mitchell, Q.C.
George L. White

HOUSE OF ASSEMBLY
P.O. BOX 1617
HALIFAX, NOVA SCOTIA
B3J 2Y3

December 1, 1986

The Honourable Arthur R. Donahoe
Speaker of the House of Assembly
Province House
Halifax, Nova Scotia

Dear Mr. Speaker:

I was appointed as Commissioner pursuant to Chapter 29 of the Statutes of Nova Scotia, 1983, to make an inquiry and a report respecting the allowances to be paid under the Members' Retiring Allowances Act.

Having completed the inquiry, in fulfilment of the commission assigned, the undersigned respectfully submits the accompanying report.

Yours sincerely,

George L. White
Commissioner

NOVA SCOTIA
COMMISSION OF INQUIRY
ON
REMUNERATION OF ELECTED
PROVINCIAL OFFICIALS
(MEMBERS' RETIRING ALLOWANCES ACT)
REPORT
1 DECEMBER, 1986

(i)

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	1
II. RETIRING ALLOWANCES IN NOVA SCOTIA	3
III. COMPARISON WITH OTHER JURISDICTIONS	7
IV. MATTERS REVIEWED	10
V. SUMMARY OF RECOMMENDATIONS	18

(ii)

	<u>APPENDICES</u>	<u>PAGE</u>
A.	Footnotes	19
B.	Letter of Appointment of Commission	20

I. INTRODUCTION

In accordance with Section 43A of the House of Assembly Act, the Speaker of the House appointed a Commission by letter dated November 25, 1986, "to make an inquiry and a report respecting the allowances to be paid under the Members' Retiring Allowances Act."¹

In the course of the inquiry, the Commission followed the same procedure as outlined in the introduction of the foregoing Report of the Commission of Inquiry respecting the House of Assembly Act and the Executive Council Act.

In addition, the Commission had the benefit of consultation with Mr. Brian L. Burnell, FCIA, FIA, ASA, Manager and Actuary of the Wyatt Company, Halifax, N.S., respecting matters under review. Mr. Burnell, who is a recognized expert in employee benefit and compensation plans, has previously conducted various studies for the Minister of Finance with respect to the Members' Retiring Allowances Act and his advice has been of great assistance.

The Superintendent of Pensions for the Province of Nova Scotia, namely Mr. Percy Fleet, has been of great assistance to the Commission. Also, although my fellow Commissioner with regard to the Inquiry under the House of Assembly Act and the Executive Council Act, Mr. George M.

Mitchell, Q.C., has been unable to join in the recommendations of this Report respecting the Members' Retiring Allowances Act, I wish to acknowledge my debt to Mr. Mitchell whose previous experience in the Legislature and in the Ministry was immensely helpful in the conduct of the inquiry and in consideration of the matters at issue.

As a Commission appointed by Mr. Speaker, I am authorized under the House of Assembly Act to make "an inquiry and a report respecting allowances to be paid under the Members' Retiring Allowances Act". Accordingly, the recommendations contained in this Report have been made with the expectation they will be acted upon effective January 1, 1987 pursuant to Section 43A of the House of Assembly Act.

II. RETIRING ALLOWANCES IN NOVA SCOTIA

The Members' Retiring Allowance Act establishes a pension account for Members of the Legislative Assembly. Members contribute and Government makes an equal contribution and credits interest on the balance in the account from time to time. If at any time the account is insufficient to make payment provided under the Act, the account is then to be credited with sufficient funds for this purpose from the Consolidated Fund of the Province.

A number of changes were made in the Act early in the 1980's. The following summary, taken mainly from the report of a similar Inquiry in 1983, with appropriate changes, describes the arrangements that now prevail for existing Members. Note that not all of the arrangements outlined would apply to the service by existing Members for the years prior to 1982.

Eligibility for an allowance - A Member must contribute to the account and must have served in two General Assemblies for five years or more, must have attained age 55 and ceased to be a Member, or ceased to be a Member and be totally disabled, or must have died in which case an allowance is payable to a surviving spouse and dependant children.

By regulation a person otherwise qualified for an allowance but who has not reached the age of 55 years may elect to take an actuarially reduced pension at an earlier age than 55 years.

Contribution by a Member - A Member contributes at the rate of 8% of the indemnity and annual allowance for expenses paid to him, and salaried Members and Ministers contribute 8% of the salary paid to them for their office.

Years of Contribution and Benefits - The maximum years of contribution to the plan are 15 years and for Members benefits accumulate, for each year of contribution and service, at the rate of 5% of the average annual indemnity and expense allowance during the last three years of service. The maximum benefit cannot exceed 75% of the average annual indemnity and expense allowance during the last three years of service. Salaried Members and Ministers are entitled to additional allowances accumulating at the same rate (5%) of the average salary payment for the three highest years of salaried service (or if salaried service is less than three years, then the average is that of the actual years served).

Benefits and the Impact of Inflation - By regulation made under the Members' Retiring Allowances

Act, allowances paid have been increased in recent years by applying the same indexing factor as has been applied to pensions payable under the Public Service Superannuation Act. Thus former Members or their dependants paid an allowance have the benefit of these arrangements to offset, in part at least, the impact of inflation on the benefits paid. As a result of the recommendation in the report of a similar Inquiry in 1983 arrangements similar to these were also applied by regulation to those entitled to a deferred allowance, so that the deferred allowance increases in the same way as allowances being paid.

Survivors Benefits - Where a Member dies in office or a former Member entitled to an allowance dies, his or her surviving spouse is entitled to 50% of the allowance payable to the deceased and for each dependant child this ratio is increased by 10% to a maximum of 90% of the allowance.

In the report of the Commission of Inquiry filed with Mr. Speaker December 1, 1985, it was recommended that the Survivors Benefit Allowance be 75% of the allowance that would have been payable to the deceased and that for each surviving dependant child an allowance be 5% to a maximum of 20% of the allowance that would have been payable to the deceased. Further, it was recommended that where the

deceased leaves no surviving spouse, or the surviving spouse dies, the allowance payable in respect of surviving dependent children should continue to be equivalent to that payable to a surviving spouse, i.e., 75% of the allowance to which the deceased was entitled. Since it was subsequently determined that this recommendation would be inconsistent with the requirements of Revenue Canada with regard to registered pension plans, there was not administrative compliance with that recommendation. Consequently, the arrangements as outlined above with regard to survivors' benefits have applied for the calendar year 1986.

III. COMPARISON WITH OTHER JURISDICTIONS

It is common practice in all legislative jurisdictions in Canada to provide for retiring allowances for former members of the legislature and additional allowances for those who have served in salaried offices, for example, the Premier or Prime Minister, Ministers, the Speaker, the Leader of the Opposition. These plans reflect the need to provide adequately for those who have served in elected office, often during their most productive years, usually, as in the cases of most ministers, at the price of foregoing other career opportunities, and generally, once elected, dependant upon the will of the electorate more than on the individual's decision for continuance in elected office.

Arrangements do differ somewhat from one legislative jurisdiction to another, most particularly in relation to:

- 1) the contribution rate of Members - from 7% in Newfoundland to 11% in the case of the Parliament of Canada;
- 2) the component of remuneration on which the allowance and contributions are based - in the case of five Legislatures it is the indemnity only, and in the case of five others, including Nova Scotia, it is the indemnity and general allowance;

- 3) the age at which one qualifies for an allowance, having ceased to be a Member - with no minimum age required for those who have contributed for the minimum required period in the case of the Parliament of Canada (after six years' service), Manitoba (8 years or 3 legislatures) and New Brunswick (after 10 years' service); a combination of age and years of servicing totalling 55 (Ontario), or totalling 60 (Newfoundland, British Columbia) or totalling 65 (Quebec); a minimum age of 50 (Prince Edward Island), or 55 (Alberta, Saskatchewan, Nova Scotia).
- 4) the annual rate of accumulation of the allowance and the maximum ratio of allowance to remuneration - here a number of other jurisdictions are comparable to Nova Scotia at a rate of 5% for each year of service for a maximum ratio of 75% of remuneration paid before retirement; in some provinces the rate of accumulation and the maximum ratio of allowance to remuneration are different.
- 5) arrangements for a surviving spouse and dependent children - the arrangements in Nova Scotia for payment to a surviving spouse of 50% of the allowance to which a deceased former Member would have been entitled is among the lowest survivor's allowance, and 10% of the allowance on account of

dependant children is generally comparable to that where provision is made for them.

IV. MATTERS REVIEWED

In the 1985 Report of the Commission of Inquiry, it was proposed that there be a further review and consideration given to possible reduction of the age of eligibility for an allowance, perhaps by permitting an allowance for former members whose age and years of service contribution equal 60. While some have noted the present age of eligibility of 55 is lower than that enjoyed in most corporate or public services pension plans, it is significant to compare that all other provinces except two have either an earlier age of entitlement or a formula of age and years of service which would enable former members to be eligible for pension allowances at an age of less than 55 years. Nova Scotia, Saskatchewan and Alberta have the more stringent requirement of 55 years of age. Many of the existing eligibility formulas for elected members in other provinces were in effect at the time that the current rules were established by Revenue Canada, and were therefore "grandfathered". The Commission has been advised that Revenue Canada would not permit an earlier retirement age than 55 unless either:

(a) There was a requirement for some significant minimum number of years (for example at least 25 years to 30 years) of service, or

(b) There was a limitation placed upon the amount of benefits payable, to such an extent that a change would not prove to be beneficial.

The Report of the Commission of Inquiry filed December 1, 1985 also proposed further consideration of a change to provide an allowance in relation to service in salaried office to be payable independently from an allowance as a former Member, even where a former salaried Member having left salaried office when otherwise qualified for an allowance, continues to serve as a Member of the House of Assembly. Again, the consultant to the Commission has advised that such a change would not be permitted because of the registration requirements of Revenue Canada.

Also, the Report of last year proposed consideration of a rate of accumulation of pension benefits for years of salaried office at a higher rate than now. It is the Commissioner's understanding that any increase in the rate of accumulation would disentitle the plan for registration with Revenue Canada.

As indicated earlier in this Report, the recommendation contained in the Report of the Commission of Inquiry of December 1, 1985 pertaining to the survivors benefit allowance was inconsistent with the registration requirements of Revenue Canada and consequently there was not administrative compliance with that particular recommendation. The reasoning for the change proposed last year appears on pp.45-6 of the Report as follows:

"This year, 1985, as Commissioners, we are prepared to recommend that arrange-

ments be revised for an allowance for surviving spouse and dependant children of a deceased former Member entitled to an allowance. Most Canadian Legislatures' plans for retiring allowances now provide that a surviving spouse be entitled to 60% of the deceased former member's allowance. British Columbia has recently provided that it be the same as the deceased allowance entitlement, two jurisdictions provide optional survivor's annuity arrangements, and only New Brunswick, Nova Scotia and Prince Edward Island provide for a surviving spouse's allowance at 50% of the deceased's entitlement. Survivor's benefits are a major concern in pension reform in Canada especially where the survivor spouse is a widow. The Commissioners acknowledge that a married member's service as a legislator or as a member of the Executive Council is generally heavily dependant upon the support of the Member's spouse and that service as legislator is often a family affair. it undoubtedly affects the family's life. We believe a surviving spouse of a deceased former Member entitled to an allowance should have an allowance that is improved over that now provided, and if this were done the arrangements for surviving dependant children should be revised."

This Report endorses the principle of last year's report, so long as the provision is in compliance with the registration requirements of Revenue Canada.

The Commissioner recommends that:

MRA R-1 Section 9 of the Members' Retiring Allowances Act be amended to provide that an allowance to a surviving spouse of a deceased former Member entitled to an allowance be 60% of the allowance that would have been payable to the deceased and that for each surviving dependent

child an allowance be 10% to a maximum of 40% of the allowance that would have been payable to the deceased. Where the deceased leaves no surviving spouse, or the surviving spouse dies, the allowance payable in respect of the surviving dependant children should continue to be equivalent to that payable to a surviving spouse, i.e., 60% of the allowance to which the deceased was entitled.

Two other matters pertaining to the entitlement of a surviving spouse warrant consideration. One of the initiatives arising from much of the recent debate on pension reform has been the elimination of termination of survivor's benefits upon remarriage. While this progressive change was made to the Members' Retiring Allowances Act at an earlier date, it did not permit existing survivors who had remarried prior to the date of the change to apply for reinstatement.

Similarly, it is desirable to clarify that a surviving spouse or dependant should be independently entitled to survivor's benefits earned, even if the surviving spouse or dependant should subsequently become a Member of the House.

The Commissioner recommends that:

MRA R-2 Any person who on January 1, 1987 is the spouse of a former Member and who would otherwise be entitled to an allowance pursuant to Section 9, except for his or her remarriage following the death of the Member shall be entitled to apply to the Minister for reinstatement for payment of an

allowance pursuant to Section 9 effective upon the later of January 1, 1987 or the date of reinstatement.

MRA R-3 Section 11 of the Act does not apply to an allowance paid pursuant to Section 9 of the Act.

Presently, the earnings base for Members is composed of the annual indemnity and the annual allowance for expenses. Since January 1, 1982 the Members have paid a contribution for pension in relation to both the annual indemnity and the annual allowance for expenses at the rate of 8%. Prior to 1982, the contribution was in relation to the annual indemnity only, even although it was generally acknowledged that the basic remuneration paid to Members included both the annual indemnity and the annual allowance for expenses. As a result, no provision is made in the Act for a retiring allowance relating to the annual allowance for expenses for Members or former Members who served prior to January 1, 1982. In fact, expense allowances started to be paid on an annual basis January 1, 1969 and it is the period from then until December 31, 1981 for which there is no provision to permit the Members to include the annual allowance for expenses as part of the base on which pension contributions may be made. It is appropriate that this be changed. Such a change would be consistent with the underlying philosophy of annual indemnities and expense allowances that reflect the virtual fulltime service of Members and appropriate retiring allowances for such

service. The consultant to the Commission has indicated that such a change would be a reasonable course of action since it would put all Members on a consistent footing with one another and since a procedure of this nature is frequently followed in any pension plan where the plan has been amended in respect of the pensionable base.

The Commissioner recommends that:

MRA R-4 Any person who on January 1, 1987 is a Member, a former member, a spouse or a dependent of a former member for purposes of Section 9, may at any time within two years subsequent to January 1, 1987, or such longer periods as may be approved by the Minister of Finance, pay into the Consolidated Fund an amount equal to 8% of the aggregate of all Annual Expense Allowances paid to the Member during the period January 1, 1969 to December 31, 1981, together with interest thereon at such rate as is determined by the Governor in Council from the date of payment of the several allowances to the date of payment into the Consolidated Fund and in respect of such person who has made such contribution, sub-section 8(1A) shall be read, for the purpose of all payment of allowances subsequent to the later of January 1, 1987, or such date as the person elects to make such contribution, as if the date of the 31st day of December, 1981 is the 31st day of December, 1968.

In the Report of the Commission of Inquiry filed December 1, 1983, R-10 provided for a modest inflationary adjustment of the deferred pension allowance between the date when a person ceases to be a Member and the date he or she begins to receive payments. The adjustment applies to the Member's earnings as an MLA, as well as the annual salary as an officer, such as Leader of the Opposition,

Leader of the Recognized Party, Speaker, Deputy Speaker, Premier, and Members of the Executive Council. At present, the provision fails to adjust for the portion of the pension relating to the annual salary earned as such an officer for the period of time when a person ceases to hold one of these offices, but remains as a Member of the House of Assembly. This, in effect, penalizes such a former office holder who, by choice of the electorate and the person, remains in the public service of the Province as a Member of the House of Assembly.

The Commissioner recommends that:

MRA R-5 In addition to R-10 of the Report dated December 1, 1983, made by the Commission of Inquiry, when a Member is entitled to a deferred retiring allowance and continues to be a Member, effective 1 January 1987 the deferred allowance for the portions of the allowance provided pursuant to sub-section 8(2) of the Act be increased each year that such person continues to be a Member in the same amount as prescribed for that year by the Governor in Council in relation to the cost of living for retiring allowances paid in that year to former Members.

I. SUMMARY OF RECOMMENDATIONS

The Commission makes the following recommendations in this report, after inquiry, respecting allowances to be paid under the Members' Retiring Allowances Act.

MRA R-1 Section 9 of the Members' Retiring Allowances Act be amended to provide that an allowance to a surviving spouse of a deceased former Member entitled to an allowance be 60% of the allowance that would have been payable to the deceased and that for each surviving dependent child an allowance be 10% to a maximum of 40% of the allowance that would have been payable to the deceased. Where the deceased leaves no surviving spouse, or the surviving spouse dies, the allowance payable in respect of the surviving dependant children should continue to be equivalent to that payable to a surviving spouse, i.e., 60% of the allowance to which the deceased was entitled. (p. 12)

MRA R-2 Any person who on January 1, 1987 is the spouse of a former Member and who would otherwise be entitled to an allowance pursuant to Section 9, except for his or her remarriage following the death of the Member shall be entitled to apply to the Minister for reinstatement for payment of an allowance pursuant to Section 9 effective upon the later of January 1, 1987 or the date of reinstatement. (p. 13)

MRA R-3 Section 11 of the Act does not apply to an allowance paid pursuant to Section 9 of the Act. (p. 14)

MRA R-4 Any person who on January 1, 1987 is a Member, a former member, a spouse or a dependent of a former member for purposes of Section 9, may at any time within two years subsequent to January 1, 1987, or such longer periods as may be approved by the Minister of Finance, pay into the

Consolidated Fund an amount equal to 8% of the aggregate of all Annual Expense Allowances paid to the Member during the period January 1, 1969 to December 31, 1981, together with interest thereon at such rate as is determined by the Governor in Council from the date of payment of the several allowances to the date of payment into the Consolidated Fund and in respect of such person who has made such contribution, sub-section 8(1A) shall be read, for the purpose of all payment of allowances subsequent to the later of January 1, 1987, or such date as the person elects to make such contribution, as if the date of the 31st day of December, 1981 is the 31st day of December, 1968. (p. 15)

MRA R-5 In addition to R-10 of the Report dated December 1, 1983, made by the Commission of Inquiry, when a Member is entitled to a deferred retiring allowance and continues to be a Member, effective 1 January 1987 the deferred allowance for the portions of the allowance provided pursuant to sub-section 8(2) of the Act be increased each year that such person continues to be a Member in the same amount as prescribed for that year by the Governor in Council in relation to the cost of living for retiring allowances paid in that year to former Members. (p. 16)

Appendix "A"

FOOTNOTES

¹ R.S.N.S. 1967, c. 181, as amended.



The Speaker

House of Assembly
Nova Scotia

PO Box 1617
Halifax, Nova Scotia
B3J 2Y3

902 424-5707

September 25, 1986

Mr. George White, LL.B.
Patterson Kitz
Barristers and Solicitors
P. O. Box 1068
Truro, Nova Scotia
B2N 5B9

Dear Mr. White:

This will confirm your appointment as Commissioner pursuant to Chapter 29 of the Statutes of Nova Scotia, 1983, to make an enquiry and a report respecting the allowances to be paid under the Members' Retiring Allowances Act.

I thank you for your willingness to undertake these duties and can assure you of the full co-operation of the Office of the Speaker in carrying out your work.

I look forward to receiving your report on or before December 1, 1986 as required by the Act.

Yours very truly,

A handwritten signature in dark ink, reading "Arthur R. Donahoe".

Arthur R. Donahoe
Speaker

ARD:nk